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WAGE DETERMINATION AND TRADE UNION  
STRUCTURE AND ORGANISATION IN A  
DEVELOPING COUNTRY: THE NIGERIAN CASE

By

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of the requirements for the (CNAAB) degree  
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DEDICATION

This work is dedicated to my

dear late mother

MARGARET M. CHIEN-YE

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<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
ABSTRACT	iii
ACKNOWLEDGEMENT	v
LIST OF ABBREVIATIONS	vii
LIST OF TABLES, GRAPHS AND CHARTS	ix
INTRODUCTION	1.
<u>CHAPTER ONE: BACKGROUND SURVEY</u>	12.
1.1.    The Economy and the labour force structure	12.
1.2.    Wage/salary structure in Nigeria	43.
1.3.    Significance of the study	76.
1.4.    The Hypotheses	79.
<u>CHAPTER TWO: THE TRADE UNION MOVEMENT IN NIGERIA</u>	85.
2.5.    The Development/General Historical background	85.
2.6.    The Central Labour Organisation: A Historical Perspective	93.
2.7.    The Legal Framework of the Nigeria Industrial Relations.	110.
<u>CHAPTER THREE: THE WAGE DETERMINATION PROCESS IN                   NIGERIA - "MAIN MECHANISMS"</u>	126.
3.8.    Wage Tribunals/Independent wage commissions	126.
3.9.    Collective Bargaining Process	163.

<u>TABLE OF CONTENTS (continued)</u>	<u>PAGE</u>
<u>CHAPTER FOUR: WAGE DETERMINATION THROUGH THE NATIONAL MINIMUM WAGE AND PRICES AND INCOMES POLICY</u>	206.
4.10. National minimum wage	206.
4.11. Prices and Incomes Policy	241.
<u>CHAPTER FIVE: THE TRADE UNION MOVEMENT ROLE IN WAGE DETERMINATION AND MAJOR ORGANIZATIONAL PROBLEMS AND SUGGESTED PRESCRIPTIONS.</u>	266.
5.12. Role in wage determination	266.
5.13. Major organizational problems and suggested prescriptions	279.
<u>CHAPTER SIX: RESEARCH METHODOLOGY AND CASE STUDIES OF THE ORGANISATIONS WHERE THE SURVEY WAS CARRIED OUT</u>	370.
6.14. Research methodology - Fieldwork, and Sampling	370.
6.15. Case Studies - A comparative analysis	383.
<u>CHAPTER SEVEN: THE RESULTS OF THE SURVEY</u>	430.
7.16. Questionnaires and Interviews analysed	430.
<u>CHAPTER EIGHT: THE ROLE OF WAGE POLICY IN ECONOMIC DEVELOPMENT</u>	470.
8.17. A general preview/objective of wage policy	470.
8.18. An assessment of Nigerian Performance and Suggestion	478.
<u>CHAPTER NINE: TOWARDS THE FUTURE</u>	503.
9.19. Collective Bargaining in Nigeria - A new approach and conclusions	503.
9.20. APPENDICES	539.
9.21. BIBLIOGRAPHY	575.

ABSTRACT

The financial and competitive positions of most industries in Nigeria (private and public) have deteriorated steadily over the last ten years. This decline has been attributed to several factors (such as economic and political issues) but the single factor most frequently blamed for this is the 'defective' system of wage determination in the country which has been accused of being responsible for widespread dissatisfaction and unprecedented levels of industrial unrest among workers in the country.

This study attempts to examine the various forms or mechanisms of wage determination in the country such as (1) the Collective Bargaining Process, (2) Arbitration by way of wage commissions, (3) the National Minimum Wage, (4) Attempts at Prices and Incomes Policy. A special examination and evaluation of the role of trade unions in wage determination is also being carried out. Further, the impact of wage policy in economic development is being discussed.

The general hypothesis which has been developed for this study is that "In Nigeria, Industries or Companies using the Collective Bargaining Process for the determination of their workers remuneration have a lower strike incidence, lower labour turnover, lower absenteeism rate, and enjoy high productivity". This hypothesis is used to generate other sub-hypotheses such as (a) workers under collective bargaining industries derive more job satisfaction from their jobs; (b) Labour-management relationships are more cordial in industries or companies under collective bargaining arrangements; (c) Union density and worker participation in decision-making are higher in industries under collective bargaining; and (d) middle managers in companies or industries under the collective bargaining arrangements have a greater sense of belonging, achievement and self-actualisation.

The hypotheses were tested using a sample of 1,000 workers of comparable occupations drawn from two companies situated in Apapa and Ikeja, the highly industrial areas of Lagos, the capital of Nigeria. One was Nigeria Airways Ltd., a state-owned organisation where wage determination is by the Centralised or arbitration wage system. The other was Lever Brothers (Nig.) Ltd., a private multi-national company using the Collective Bargaining process to determine its workers levels of remuneration. In order to obtain as reliable data as possible the fieldwork which was carried out in Nigeria was done in two phases. In Phase One, all the proposed techniques to be used for obtaining data such as questionnaire structuring, interviewing - structured and unstructured - were pretested to minimise any possible anomalies. The questionnaire was structured in two parts. The first, Part 'A' contained factual questions (age, marital status, academic qualifications, work career and social background). While in Part 'B', general opinion and attitude questions were included. Phase Two of the



field work involved the main data collection task. Also, during this period, selected managers from both companies were interviewed, together with some Nigeria Employers Consultative Association and Central Trade Union officials, using the unstructured interviewing technique.

The data was processed through the SPSS computer programme. A battery of statistical tests such as factor and item analysis, the Guttman and Likert techniques were used for attitude scale measurements. Correlation coefficient and the ordinary least squares equations were also applied to establish evidence of association.

The fieldwork revealed that, firstly, wage settlement through arbitration is very defective in nature and operation in the workers' eyes. Secondly, it revealed that workers in the firm using the collective bargaining process for the determination of their wages were more satisfied with their jobs. The Collective Bargaining firm had a lower strike record, lower labour turnover, lower absenteeism rate and enjoyed higher productivity rates and good labour-management relationship. It had a higher union density and more articulate trade union officials. Finally, it was discernable from the study that managers in Lever Brothers were more satisfied with their pay, jobs and conditions of service and more interested in their workers. What's more, the managers have more sense of achievement, belonging and feelings of self-fulfilment. This was quite unlike the managers in the company under the centralised wage system, who were found to be anomic, have feelings of estrangement, alienation and find their work meaningless.

Furthermore, the study will evaluate the role of the sound wage policy in the process of economic development, particularly in agricultural dominated economy such as Nigeria.

Finally, because of the government's apparent deep-seated interest in wage determination issues, coupled with the relatively 'fragile nature' of the Nigerian economy, a tripartite model of the collective bargaining process (embracing government, employers, and workers representatives) is suggested to illuminate these relations in a developing society.

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Also to be placed on record for their full co-operation and assistance during this study are the officials from other institutions in the country. Included in this group are the (NECA) Nigeria Employers Consultative Association Officials, the NLC officials (Nigerian Labour Congress), the Federal Office of Statistics officials, especially those in the Survey and Publications Units; and the Central Bank of Nigeria officials, particularly those in the Research Department. The officials in this group in addition to making themselves available for the interviews supplied me with relevant statistical information which I found valuable during the analysis.

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G.C. Chienye

LIST OF ABBREVIATIONS

AATUF	All African Trade Union Federation
ACSTWU	African Civil Servants Technical Workers Union
AFL-CIO	American Federation of Labour-Congress of Industrial Organizations
AFRO	African Regional Organization (of the ICFTU)
AG	Action Group
ANTUF	All-Nigeria Trade Unions Federation
ATUC	African Trade Union Confederation
BTUC	Biafras Trade Union Confederation
COLA	Cost of Living Allowance
ICFTU	International Confederation of Free Trade Unions
IFCTU	International Federation of Christian Trade Unions
ILO	International Labour Organization (office)
IULC	Independent United Labour Congress
JAC	Joint Action Committee
LUF	Labour Unity Front
NCNC	National Council for Nigeria and the Cameroons
NCSU	Nigerian Civil Service Union
NCTUN	National Convention of Nigerian Citizens
NECA	National Council of Trade Unions of Nigeria
NEPU	Nigeria Employers Consultation Association Northern (later Nigerian) Elements Progressive Union

NFL	Nigerian Federation of Labour
NFL	Northern Federation of Labour
NISER	Nigerian Institute of Social and Economic Research
NLC	Nigerian Labour Congress
NLP	Nigerian Labour Party
NNA	Nigerian National Alliance
NNDP	Nigerian National Democratic Party
NNFL	Nigerian National Federation of Labour
NPC	Northern Peoples Congress
NPP	Nigerian Peoples Party
NPN	National Party of Nigeria
NSFL	Northern States Federation of Labour
NTUC	Nigerian Trade Union Congress
NTUF	Nigerian Trade Union Federation
NUT	Nigerian Union of Teachers
NWC	Nigerian Workers Council
NYM	Nigerian Youth Movement
OATUU	Organisation of African Trade Union Unity
PSRC	Public Service Review Commission
TUCN	Trade Union Congress of Nigeria
TUO	Trade Union Ordinance
UAC	United African Company
UCCLO	United Committee of Central Labour Organization
ULC	United Labour Congress
ULCN	United Labour Congress of Nigeria
UPGA	United Progressive General Alliance
UPN	United Party of Nigeria
WFTU	World Federation of Trade Unions

LIST OF TABLES

<u>TABLE</u>		<u>PAGE</u>
1.	Gross Domestic Product at Current Factor Cost 1979-80.	14
2.	Sectoral Distribution of GDP 1958-74	16
3.	Annual Sectoral Growth Rates of the Gross Domestic Product at Current Factor Cost 1975-80	18
4.	National Capital Expenditure for the Agricultural Section 1975-80	20
5.	Recent Trends in Modern Sector Employment 1973-75	23
6.	Crude Oil Production and Export Statistics 1970-80	25
7.	The Labour Market 1975-80	33
8.	Organised Labour and the Labour Force 1965-80	37
9.	Sectoral Distribution of Employment in Nigeria 1965-75	40
10.	Public Sector Employment in Nigeria 1973 1973 & 1975	43

<u>TABLE</u>	<u>PAGE</u>
10.1 Urban Unemployment Distribution in Nigeria	45
11. Occupational Class Earning Averages in UK 1978 & 1979	54
11.1 Weekly Earnings of Full-time Wage and Salary Workers in the USA 1970-75	55
11.2 Wages in Manufacturing (All Industries) in Swaziland 1970-80	57
11.3 Estimates of Rural and Urban Income (At Rural and Urban Prices) 1977-78	61
11.4 Agricultural and Non-Agric (Urban) Incomes 1973-74 and 1978-79	63
11.5 An Estimated Distribution of Income in Urban Nigeria 1973	65
11.6 Revised Salary Scales in the Civil Service of Nigeria 1975	68
11.7 Public Officers on Special Salary Scale and Relative Wage Differentials of employees of both Companies	71
12. Central Labour Organisation 1942-60 (Pre-independence structure)	104
13. Post-independence (Central Labour Organizations 1960-1975	106
14. Pre- and Post-independence Wage Tribunals or Commissions 1942/81	132
15. Movement of Prices of Selected Items in Lagos Pre- and Post-Udoji	146
15.1 Central Bank of Nigeria Low Income Consumer Price and Food Index 1973-75	148
15.2 Strikes, Man-days lost and Number of Workers involved 1960-81	151

<u>TABEE</u>	<u>PAGE</u>
15.3 Selected Wage Tribunals and the accompanying Number of Strikes in Nigeria	154
15.4 Strike by Sector 1966-78	156
15.5 Collective Agreements Registered Under Decree No.21. 1968, and Decree No.53. 1969 (Private Sector)	167
15.6 Collective Agreements Notified Under Section 5(1) of Decree No. 55 1969	170
15.7 Facts and Figures to Illustrate Relation- ship of Wages to Cost of Production	239
16. The Growth in Union Numbers and Membership in Nigeria 1940-1978	284
16.1 Membership of Trade Unions at the end of 1980, by Size and Number in the United Kingdom	289
16.2 Changes in Numbers and Union Membership 1970-80 in the United Kingdom	291
16.3 Types of Registered Organisations (January 1970 - September 1971) in Nigeria	293
16.4 Types of Registered Organisations in the New Trade Union Structure in Nigeria	295
17. Response Rates of Employees of both Companies	375
17.1 The Lever Brothers(Nigeria) Limited Organisation Chart	390
17.2 Occupational Distribution of Managers at the Lever Brothers(Nigeria) Limited	395
17.3 Occupational Distribution of Other Employees at the Lever Brothers(Nigeria Limited.	396
17.4 Lever Brothers (Nigeria) Limited Summary of Stoppages 1975-81	402



<u>TABLE</u>	<u>PAGE</u>
17.5 Absenteeism Record at the Lever Brothers (Nigeria) Limited. 1980-81	404
17.6 The Nigeria Airways Ltd., Organisation Chart as at September 1979-81	412
17.6a. The Nigeria Airways Current Organisation Chart	414
17.7 Summary of Stoppages at the Nigeria Airways 1975-81	422
17.8 Causes of Stoppages at the Nigeria Airways Ltd.	424
17.9 Nigeria Airways Absenteeism Record 1980-81	426
18. Job Satisfaction Question and Responses	437
18.1 Job Satisfaction by Selected Occupation and Company	439
18.2 Satisfaction with Pay Question and Response	443
18.3 A Fair Day's Pay and a Fair Day's Work Question and Response	443
18.4 Quality of Management Question and Response	447
18.5 Working Conditions Question and Response	448
18.6 Promotion Prospect Question and Response	448
18.7 Strike Statistics Comparison Lever Brothers and Nigeria Airways Ltd.	451
18.8 Absenteeism Rate Comparison 1980-81 Nigeria Airways and Lever Brothers (Nigeria) Limited	452

<u>TABLE</u>	<u>PAGE</u>
18.9. Trade Union Membership by Company.	455.
19. Unions and Wage Determination Involvement Questions and Responses	457.
19.1. Criteria of Wage Determination Question and Responses	459.
19.2. Disclosure of Information Questions and Responses.	461.
19.3. Achievement and Self-fulfilment among Middle Managers - Question and Response.	463.
20. Income Distribution among Wage/Salary Earners in Benin City Bendel State, Nigeria, 1975.	491.
20.1. Rural-Urban Percentage Distribution of Earnings 1968-77 in Nigeria.	493.

<u>FIGURES/CHARTS</u>	<u>PAGE</u>
1. Graphical Illustration of the Impact of Wage Commissions Award on Employment Level	160
2. Individual Grievance Procedure (Private Sector)	179
2.1. Collective Grievance Procedure (Private Sector)	181
2.2. Public Sector - Disputes Procedure as Provided in the Trade Disputes Decree No.7 of 1976	185
3. Union Distribution according to the Number of Members and Number of Unions	287
4. Graphical Representation of the Lever Brothers (Nigeria) Limited Absenteeism Rate 1980/81	406

## INTRODUCTION

The interest shown by governments, employers and employees in wage determination has been growing in developed and developing countries in recent decades. This surge of interest is due not only to the importance of the wage determination system as a device for distributing income and rewarding work, but also to the significance of wages to the three "Social Partners". Governments, employers and employees have their divergent interests to further and view wage determination with their own set of values.

The employee generally depends entirely or substantially on his wage income to satisfy both his basic needs and his wider aspirations as a consumer both for himself and his family. Consequently, securing and maintaining an income which is sufficient to fulfil these needs and aspirations is a matter of top priority for him. To the employer, on the other hand, wages are costs, in many cases a significant proportion of his total costs. The survival and growth of the company implies controlling costs, including wages. Government interest stems from social and economic considerations. Wages, even in relatively underdeveloped economies, constitute a significant proportion of national income. Governments will therefore be deeply concerned with wages as they develop policies on macro-economic matters such as employment, growth, prices, investment, productivity and the management of foreign exchange.

A further consideration for governments in dealing with wage matters, especially in developing countries, is that they themselves are often the largest employers. Governments therefore feel the need to conduct themselves as "model" employers, setting an example for private employers. To a considerable extent such governments can be seen to be acting as "barometers" guiding private employers in determining wage rates.

All of these interests of employees, employers and governments will influence the choice of a country's wage determination system. As governments themselves play key roles in establishing mechanisms for wage determination in developing countries, their situation is a complex one. This thesis analyses the position in Nigeria as that country attempts to establish a wage determination system which encompasses the wider range of aspirations of employees and employers while permitting government to pursue its responsibility for economic growth in a stable economic and political environment.

Nigeria, like other developing countries, has two main methods of wage determination to choose from. One alternative is basically a centralised, government regulated system relying on statutory orders, administrative decree and compulsory arbitration. The other alternative is collective bargaining with minimal or limited state and legal intervention, as practised in Western Europe and North America.<sup>1</sup> Centralised wage determination, pioneered in Australia and New Zealand has been adopted in most

developing countries. These countries have felt that the degree of governmental control promised by centralised wage determination is necessary given the vulnerable nature of their economies. Arguments put forward are that collective bargaining gives rise to inflation because trade unions are able to negotiate wage increases which are "too-high"; and this in turn results in the loss of competitiveness on international markets. Another criticism of collective bargaining which has influenced the choice of wage determination system relates to equity. Collective bargaining lacks the capacity to achieve an "equitable" income distribution because in a developing society it will tend to create "excessive" income disparities. Another count against collective bargaining is that it permits open industrial conflict which results in a loss of output which developing countries cannot afford, and discourages much needed foreign investment.<sup>2</sup>

Leaving aside the merits of these arguments, the net effect of these beliefs has been both to limit strictly the role of collective bargaining in developing countries, and to tightly constrict the role and influence of trade unions. This limited role of the trade unions in the wage determination process has affected their structure and organisational capability. At a fundamental level this situation is in line with the hypothesis put forward by H.A. Clegg in Trade Unionism under collective Bargaining. Clegg hypothesized that

"the theory of union behaviour under collective bargaining maintains that variations in

union behaviour can be explained by differences in collective bargaining".<sup>3</sup>

He qualifies this statement by pointing out that it is a limited hypothesis which only applies where collective bargaining exists, and not a general theory of trade unionism.<sup>4</sup> Clegg also concedes later that his theory does not establish "predictive causal laws", and that he was simply postulating that collective bargaining was the "main or principal" influence on union behaviour. Despite these qualifications, Clegg's hypothesis remains a significant one from the point of view of understanding the growth and development of industrial relations institutions.

If the basic relationship postulated by Clegg is correct, then the establishment of stable collective bargaining arrangements is a necessary condition for a mature trade union movement: and should lead to greater maturity in trade unions. If the theory is correct, and can be applied to developing countries, then it provides at least part of the answer to the contention that collective bargaining must inevitably lead to immature unions defining their members' interests narrowly and becoming obstacles to economic growth. This, then, gives rise to the question central to this thesis: can Clegg's hypothesis be applied to developing countries? This is a question of great economic and political importance. If developing countries can generate "mature" union movements, taking into account longer term and national interests and resolving disputes peacefully, an alternative exists to

centralised wage determination. This, in its turn, would provide a democratic pluralist alternative to a potentially authoritarian solution.

The purpose of this thesis is to examine the applicability of Clegg's hypothesis to a developing country - a project in which Clegg himself expressed an interest - not to test the basic validity of the concept. Clegg originated his hypothesis in the context of six western industrialised societies and his arguments in trade unionism under collective bargaining are sufficiently sound to serve as the starting point for this thesis. Indeed, the period in which Clegg produced this work can be said to be one which supports his general theory in a strong but negative way. Interference by many western governments with collective bargaining in pursuit of crude incomes policies based on limited agreement has de-stabilised bargaining arrangements and produced strident and more militant trade unionism. A more oppositional approach by trade unions and increased industrial conflict has marked these countries' industrial relations in the last decade and half. A blunt and less sophisticated approach by government to collective bargaining has led to less "mature" behaviour by western trade unions.

Recent developments in more industrialised societies and the difficulties these countries have experienced with industrial relations and wage determination raises the question what can be expected of government, employers and trade unions in a developing society like Nigeria?



That something can be expected is basic to this thesis. No academic work connected with social and political matters can expect to be value free, and this is no exception. Underlying this thesis is a belief that the search for an effective wage system in Nigeria which started in the colonial period is a worthwhile one. It is reasonable for the "Social Partners" in Nigeria to seek for a system of wage determination which achieves socially desirable goals as well as satisfying to a significant degree the aspirations of individuals and organisations. The value of such a system is the basic value against which the sophistication of government and the "maturity" of the union movement may be assessed. "Mature" or constructive behaviour by trade unions is behaviour which leads to the establishment and maintenance of such a wage payment system.

A central question to this thesis is therefore whether there is evidence to suggest in the Nigerian experience that Nigerian trade unions are capable of responding in a constructive manner to initiatives by government and by employers to develop collective bargaining. Critical to this question is what government in Nigeria wants from that country's industrial relations arrangements. Nigerian government policy in this area has been influenced by a number of considerations.

The policy of Nigerian governments towards wages - and, by implication, towards industrial relations generally - has reflected its concerns in the course of

economic and social development. Government has wanted a wage structure which can be used as a mechanism to allocate labour from low to high productivity sectors, a major aim has been to move labour from the agricultural to the industrial sectors. Another objective has been the redistribution of income to bridge the earnings gap between high and low paid workers, which is a serious problem in all developing countries. Despite these specific objectives, and the general desire for economic stability, Nigerian governments have always maintained a commitment to the principle of collective bargaining. In a speech in 1955, the first Prime Minister of Nigeria, Sir Tafawa Abubakar Balewa, reaffirmed the government's confidence in the effectiveness of voluntary negotiations and collective bargaining for the determination of wages.<sup>5</sup>

This commitment to the principle of collective bargaining was further reaffirmed by the Federal Government in 1969, in the following government statement:

"The ministry encourages employers and workers to try to settle questions of wages and conditions of employment by collective bargaining and only intervenes in the last resort, in the public interest, as an impartial arbiter. It fully supports the principles and practice of free voluntary negotiation, collective bargaining and joint consultation. The policy is based on belief that those directly concerned in the production process are best placed to find the answer to their problems".<sup>6</sup>

However, inspite of this overwhelming support and commitment, in practice, the government has been reluctant to act on this commitment and has instead been relying on statutory wage determination - through appointed wage commissions. As the Udoji wages and salaries review commission observed in 1974/75:

"We do not consider it necessary, for us to justify a policy of consultation with staff associations or unions in the public service; such a relationship is practised virtually world-wide, and time and again this government has formally stated its acceptance of the principle. Yet implementation of the policy has been half-hearted on the part of both government and its employers".<sup>7</sup>

The preference for "centralised" wage determination was expressed in 1970/71, by the Adebo Wages and Salaries Review Commission. This commission put the argument in the following statement:

"The use of collective bargaining would not alone keep wages in proper national balance both as regards comparison between the sectors, and in relation to available real resources. More generally ... is such a system likely to assure, simultaneously, distributive equity, economic growth, full employment and monetary stability".<sup>8</sup>

Given that Nigeria needs industrial and political harmony so as to be able to accomplish its social and economic development programmes, government has been uncertain about what method of wage determination can create the industrial peace.

This study examines 'methods' of wage determination in Nigeria and the structure and organisation of trade unions to discover the effect on the general conduct of industrial relations, particularly on issues such as industrial conflict and the union bargaining role. Fashoyin in his recent study has argued that the collective bargaining process is a suitable 'mechanism' of wage determination for Nigeria. He noted:

"The present study suggests that for Nigeria, there is hardly any doubt in the industrial community especially among the three parties in industrialisation - labour management and government - that collective bargaining as the core of industrial relations is suitable for the country".<sup>9</sup>

The thesis is divided into nine chapters. Chapter one examines the Nigeria economic and social background, as well as the wage structure essential for the understanding of the analysis. Here, also, the hypothesis and significance of the study are treated. Chapter two treats the Nigerian trade union movement - development and organisation, as well as the legal framework of the Nigerian industrial relations. Chapter three looks at the main methods of wage determination in Nigeria, and concludes that the system of determining wages by the government appointed wage commission has serious disadvantages, though some improvement is possible. In this chapter also, the Nigerian experience of collective bargaining and the reasons why its growth has been limited is considered.

Chapter four considers the experience of the other wage fixing techniques, the national minimum wage and prices and incomes policy; and argues that neither can be central to a general system of wage determination in the country.

The role of the Nigerian trade union movement in pay determination, as well as its structure and major organisational problems are covered in chapter five. In chapter six, the research methods used in the investigation, and the case studies of the two organisations where the survey was carried out are discussed. Chapter seven considers the 'results' of the research; and the hypotheses put forward for the study are tested. The role of wage policy in economic development is discussed in chapter eight. While the last chapter of the thesis (Chapter 9) looks at the future of the wage determination system in Nigeria with special focus on the collective bargaining mechanism, and suggests a new approach to the system.

FOOTNOTES

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CHAPTER ONEBACKGROUND SURVEY

The wage/salary determination process of a country cannot be fully understood and appreciated except against its economic and political background. However, since there exists a substantial body of literature<sup>1</sup> on the latter, only the former (economic setting) would be discussed. Hence the purpose of this chapter.

1.1 THE ECONOMY AND THE LABOUR FORCE STRUCTURE

Nigeria's modern economic growth started at the end of the Second World War (1939-45); and in the 1950s the (GDP) Gross Domestic Product increased at an annual rate of 4 per cent.<sup>2</sup> This accelerated to about 5 per cent in the first half of 1960s immediately following political independence. However, the political instability which erupted after 1965 and later culminated in the civil war between the Federal government and the secessionists Biafra 1967-70 led to the disruption in the economy, so that by 1970 the economic gains of the early 1960s had been seriously reduced.

Nonetheless, the 1970s witnessed a remarkable recovery in economic growth and development. The Second National Plan for Development and Reconstruction 1970-74, and the Third National Plan 1975-80, generated a considerable growth and restructuring of the economy. In fact, the GDP during this period 1970-74 increased by 8.2 per cent per annum and about 8.5 per cent per annum in period to 1978-79. With the virtual doubling of oil prices in 1978-80 and the maintenance of high levels of production, through the production was later cut back from 2 million barrels per day to 1.6 million

(barrels per day), the GDP target of 9.5 per cent was achieved. This means that the GDP more than doubled during the 1970-80 period with an annual rate of growth of about 9 per cent per annum.



In 1979/80, the income per capita was \$600 dollars approximately ₦355.8 Naira. With the decline in the revenues from oil since the second part of 1981 it is likely the Income per capita would be below the 1979/80 level by the end of 1980/81 fiscal year. However, what is interesting about the income per capita as at 1979/80, is that it has shown a tremendous upward trend during 20 year period (1960/80). It has risen from a mere ₦43.5 Naira per capita in 1960, ₦187-85 Naira in 1975 to ₦355.8 Naira in 1979/80. This apparent quadrupling of the per capita income has been largely due to the increased prosperity from petroleum in addition to progress in value-added accruing from industries. In other words, the economy as measured by the size of its Gross Domestic Product - about £28 billion in 1980 - was the largest in Africa, surpassing South Africa, and among the top ten countries in the third world. Table 1 shows the Gross Domestic Product (at current factor cost) for 1979-80 financial year. It can be seen from the table that the GDP was ₦29,664 (approximately ₦30 billion, while the total Gross National Product stood at ₦30,109.9 million Naira.

These records of outstanding economic performance notwithstanding, Nigeria is still primarily an agricultural economy where agriculture still accounts for a substantial proportion of the GDP; though in recent years its contribution to the GDP is fast declining. At the time of independence in 1960, agriculture including forestry, live stock and fishery was the mainstay of the economy. It accounted for over 60 percent of the GDP. As can be seen

Table 1: Gross Domestic Product (At Current Factor Cost)  
For 1979-80: Distribution; in ₦ Million and  
Percentage

Sector	₦ Million	Percentage
1.Agriculture, Forestry and Fishing	5,457.3	18.4
2.Mining and Quarrying	11,008.0	37.1
3.Manufacturing & Crafts	2,375.0	8.0
4.Electricity & Water Supply	158.6	0.5
5. Building and Construction	3,357.2	11.3
6.Distribution	2,419.1	8.2
7.Transport & Communication	1,019.0	3.4
8.General Government	2,060.9	6.9
9.Education	1,008.5	3.4
10.Health	328.3	1.2
11.Other Services	472.8	1.6
Total	29,664.8	100.0

Source: Federal Republic of Nigeria: Third National Development Plan 1975-80, Volume 1, Table 5.4, p.50.

from Table 2, in 1958/59, the country's Gross Domestic Product valued at 1962/63 factor cost amounted to ₦2,084.2 million Naira. Of this figure agriculture accounted for ₦1,342 million Naira or 64.39 percent; while Distribution the second largest sector contributed ₦260.6 million Naira or 12.5 percent. None of the other major sectors of the economy accounted for as much as 5 percent of the Gross Domestic Product. The share of manufacturing, building/construction, mining and quarrying sectors which have now dominated the economy was 4.6, 4.2 and 1.1 percent respectively. Thus, at the eve of Nigeria's independence in 1960, the economy was predominantly agricultural. Even in the post-independence years, for example, between 1960-65 as reflected in table 2, agricultural contribution averaged 61.8 percent of the GDP. However, as noted earlier in the recent years its contribution to the Gross Domestic Product has been on the decline. As can be seen from table 4, from 64.39 percent contribution in 1958/59 to 34.74 percent in 1973/74. And the trend has not changed since then as the statistics in table 3 reinforces. It can be seen from the table that among all the sectors, agricultural sector recorded the least average annual growth rates of the GDP for the years 1975-80.

Ironically, in spite of this relative decline the government has been embarking on extensive agricultural development programmes. The main reason being the government's commitment to an Export-led economic growth and the achievement of self-sufficiency in food production. During the Third National Plan period 1975-80 the national capital expenditure for the agricultural sector was

Table 2. Sectoral Distribution of Nigeria's GDP Gross Domestic Product 1958-1973, Percentages

Sector	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
1. Agriculture	64.39							
2. Forestry & Fishing	64.39	63.13	64.08	62.19	61.82	61.50	58.67	55.37
2. Mining	1.12	1.20	1.20	1.74	2.09	2.08	2.70	4.76
3. Manufacturing	4.65	4.82	4.80	5.22	5.64	6.02	6.13	7.02
4. Electricity	0.24	0.29	0.32	0.39	0.44	0.48	0.52	0.58
5. Building & Const.	4.22	4.53	4.01	4.23	4.34	4.19	4.34	5.55
6. Distribution	12.50	12.50	12.74	12.35	12.05	12.80	13.50	13.30
7. Transport & Communication	4.79	4.79	4.56	4.14	4.83	4.64	5.07	4.64
8. General Govt.	3.01	3.47	3.20	3.10	2.99	2.76	3.04	3.08
9. Education	2.52	2.74	2.56	2.81	2.99	2.93	3.17	3.08
10. Health	0.47	0.50	0.50	0.57	0.64	0.63	0.69	0.72
11. Others Services	2.09	2.03	2.03	2.26	2.17	1.98	2.17	2.30
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

(Continued next page)

Sector	1966-67	1967-68	1968-69	1969-70	1970-71	1971-72	1972-73	1973-74
1. Agriculture								
2. Forestry & Fishery	51.88	52.69	52.54	47.45	44.56	42.00	36.99	34.74
3. Mining	6.90	6.36	3.34	8.10	11.99	15.07	16.79	17.77
Manufacturing	7.36	7.35	7.88	8.17	7.49	6.52	7.56	8.90
Electricity	0.66	0.58	0.69	0.64	0.58	0.62	0.70	0.83
Building & Const.	5.22	5.27	4.60	5.20	6.27	7.51	8.51	8.09
Distribution	12.79	12.92	13.06	12.76	12.15	11.75	10.73	10.84
Transport & Communication	4.65	4.40	4.94	3.95	3.26	3.15	3.64	4.26
General Govt.	3.35	3.57	5.46	8.00	7.40	6.95	8.24	7.84
Education	3.62	3.47	3.61	2.24	2.69	2.83	2.90	3.02
Health	0.82	0.72	0.79	0.72	0.87	0.78	8.94	1.15
Others services	2.72	2.67	3.08	2.77	2.74	2.78	3.00	2.23
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Notes: 1. At 1962-63 Factor

2. Former Eastern Region not included in the estimation.

Source: Federal office of Statistics, National Accounts of Nigeria Lagos 1976. See also Olaloku, F.A. et al.,

"Structure of the Nigerian Economy: Lagos: University of Lagos Press, 1979, p.6, Table 1.2.

Table 3 : Annual Sectoral Growth Rates of the Gross Domestic Product at Current Factor Cost 1975-80

Sector	1975-76	1976-77	1977-78	1978-79	1979-80	Average Annual Growth Rate 1975-80
1. Agriculture, Forestry & Fishing	9.7	10.8	10.2	10.0	9.9	10.1
2. Mining & Quarrying	10.4	10.3	10.9	11.2	11.9	11.0
3. Manufacturing & Crafts	21.6	26.3	29.4	30.8	33.7	28.3
4. Electricity & Water supply	17.9	17.9	24.3	24.7	25.5	22.1
5. Building & Construction	28.2	31.6	32.5	35.3	35.1	32.5
6. Distribution	16.6	18.0	20.5	22.2	23.0	20.1
7. Transport & Communication	19.2	22.9	25.7	29.6	31.4	25.8
8. General Govt.	15.0	15.0	20.0	20.0	20.0	18.0
9. Education	19.0	21.0	22.0	23.0	24.0	21.8
10. Health	18.0	19.0	21.0	21.0	21.0	20.0
11. Other Services	13.8	15.5	17.3	19.0	19.7	17.1
12. Aggregate Annual G. Rate	13.0	14.2	15.6	16.8	18.0	15.5

Source: Federal Republic of Nigeria Third National Development Plan 1975-80, Volume 1, Table 5.6 p.51.

N2.201 billion, (Table 4). In April 1980, the government launched the 'Green Revolution Programme' as a testimony to its commitment to extensive agricultural expansion. The primary objective of the programme was to modernise the agricultural sector of the economy and especially to achieve self-sufficiency in food production. At the launching ceremony the Federal Government made available the sum of 183 million Naira for the resuscitation of the sector's ailing crops, livestock, forestry and fishery units which had hitherto been neglected.

Under this arrangement various projects such as land clearing schemes, farm mechanization centres, agro-service centres, river basin development schemes, national accelerated food production programmes and tractor hire service received increased development funds. In addition, following the green revolution programme, supply of fertilizers and other material inputs were increased together with 'credit' under the credit guarantee scheme.<sup>3</sup>

To implement the green revolution programme, two bodies were set up:

- a. The National council on the green revolution, headed by the president, and 21 other members drawn from ministries whose responsibilities have bearing on agricultural production, processing and research. The main functions of the council include: the co-ordination of all the activities of the ministries associated with the programme and the issuing of directives on the execution of the programme.

Table 4. National Capital Expenditure for the Agriculture Sector During the 1975-80 Plan Period

	N (million)	As a percentage of the 1979-80 GDP of approx. N30 Billion
i. Crops	N1.646 billion	5.5
ii. Livestock	N344.064	1.1
iii. Forestry	N109.727	0.4
iv. Fishery	N101.554	0.4
Total	2.201 billion	7.3

Source: Third National Development Plan 1975-80, Volume One, p.72.



b. The other body is the commodity boards. The main function of the commodity boards is to purchase scheduled crops (cocoa, seed cotton and ground nuts).

As part of the green revolution programme, within the first six months of 1980 the Central Bank guaranteed a total of 318 agricultural loans to various sectors and state governments. The overall aim of these massive agricultural development programmes and direct cash investments has been to increase agricultural contribution to the gross domestic product.

However, this aim (increase in agricultural contribution) is rarely being met, commenting on the poor agricultural performances with respect to its contribution to the GDP (Table 1) in his budget speech in April 1979, the former head of state Lt. General Obasonjo declared:

"Changes are inevitable in process of economic growth and development, in our particular case, the proportionate decline in agricultural production has been too rapid".<sup>4</sup>

Undoubtedly agriculture has performed poorly since late 1960s due to: ravages of the civil war, urban based - development strategy, fluctuation in world market prices for agricultural products and the Sahelian drought of the early 70s; have all combined to reduce the annual rate of growth of per capita agricultural output. As already shown in Table 1, in 1979-80 agricultural sector contribution to GDP was 18.4 percent compared with 34 percent in

1973-74 almost a 50 percent decline in real contribution. In effect, agriculture has declined in significance, it is as Diejomaoh noted recently "the weakest sector in the economy".

Even in the employment field which it dominated in the early 50s and 60s trends in modern sector employment are showing a constant decline in agricultural employment as Table 5 shows. As can be seen in the table, services industry now tops with almost 36 percent employment, closely followed by manufacturing industry, and construction with 21.4 and 13.7 percent respectively.

Nonetheless, the economy has found 'consolation' in the other contributors to the Gross Domestic Product. Particularly from the mining sector dominated by oil production. The index of mineral production for the first half of 1980 stood at 118.3 (1972=100), compared with 120.5 and 131 in the corresponding periods of 1979. The indices of production of gas, cassiterite columbite, coal and lime stone rose by 24.0, 45.6, 45.3, 4.2 and 3.0 percent respectively compared with the levels in the second half of 1979.

Petroleum now contributes 90 percent of the total export and 80 percent of the tax revenue and about 25 percent of the GDP. Oil production has in other words emerged as the mainstay of the economy now. However, with the current oil glut, in the world market both

Table 5. Recent Trends in Modern Sector Employment,<sup>1</sup>  
1973-75

	EMPLOYMENT				Additional Employment Sept. 1973 to April 1975
	Sept. 1973		April 1975		
	% Share	No (000)	% Share	No (000)	
Agriculture <sup>1</sup>	7.3	101.5	7.0	105.0	3,500
Mining & Quarrying	6.4	89.0	6.0	90.0	1,000
Manufacturing & Processing	21.4	297.4	21.6	324.0	26,600
Construction & Building	13.7	190.4	14.0	210.0	19,600
Electricity, Gas & Water	2.1	29.2	2.0	30.0	800
Distribution	7.0	97.3	6.6	99.0	1,700
Transport & Communication	6.4	89.0	6.1	91.5	2,500
Services	35.7	496.2	36.7	550.5	54,300
Total	100.0	100.0	100.0	1,500.0	110,000

Source: Third National Development Plan 1975-80, Volume I,  
 Table 32.3, p. 371.

Explanation:

1. Traditional Agriculture which still employs the bulk of population is not included here.

production and exports have been moderated, as table 6 has shown. It can be seen from the table that both production and exports fell in 1975 after an all time record in 1974. After 'picking' up in 1976 and 1977, respectively, production and export experienced a decline in 1978. Similarly, reductions on both production and export levels were experienced in 1980. When compared with the 1979 production level of 841,055 (barrels) it is 10.4 percent below.

Some critics of the economy have argued however, that total reliance on revenues from oil production which is beset by world price fluctuation in the oil market was not to the Nation's advantage. Many fear that certain projected economic development plans might be delayed or completely abandoned if the oil industry starts experiencing massive decline in revenues. This fear was expressed by the governor of the Central Bank of Nigeria O. Ola Vincent when he said:

"People should also express concern about the reduction in the volume of the country's traditional and other non-oil exports". 6

The Governor's statement implies that the economy was 'leaning' so much on the oil export and thereby neglecting other non-oil exports such as cocoa, ground nuts and bean seed. The fluctuation in production and price have always been reflected in changing politics by the Government, It has a number of ways of reacting to such events. The most effective weapon in its armoury being a constant

Table 6. Crude Oil Production and Export Statistics  
1970-1980

CRUDE	OIL	IN	BARRELS
Year	Production		Exports
1970	395,935,689		383,455,353
1971	558,678,882		542,545,131
1972	643,206,685		650,640,779
1973	750,593,415		725,117,624
1974	823,317,838		795,710,044
1975	651,506,761		627,638,983
1976	758,058,380		736,822,998
1977	765,937,709		757,942,105
1978	692,269,121		667,387,067
1979	841,634,055		818,726,943
1980	754,620,497		380,140,821 <sup>1</sup>

Source: Annual Abstract of Statistics 1981 edition:  
Federal Office of Statistics Lagos Nigeria:  
Table 6.14, p. 83.

Notes:

1. The figure of 380,140,821 (barrels) is only for 1st half of 1980 Jan-June. The second-half was not available.

re-adjustment and reviewing of its policies. For example, as production and prices rose in the first half of the 1970s, the then military government adopted liberal import policies and awarded large wages and salary increases such as the Adebo and the Udoji awards.<sup>7</sup>

However, as production fell below expectations in 1975 and 1978 (see table 6), the government swiftly reacted by adjusting its demand management policies. Import controls were increased, so also was the responsibilities of the Comprehensive Import Supervision Scheme (CISS) set up to oversee import controls during the period.<sup>8</sup> The government on its part made sure that development spending did not fall below expectation. To fulfill this obligation the government entered the Euro-Dollar market to raise \$1.7 billion dollars to finance development projects.<sup>9</sup>

The construction industry has also continued to make substantial contribution to the Gross Domestic Product. In 1970, it accounted for 4 percent of the GDP. While in 1975-76, 76-77, 77-78 and 79-80 it accounted for 6.1, 6.7, 7.3 and 9.0 percent respectively of the gross domestic product. The building boom of the 1970s was aimed at breaking the constraints caused by inadequate roads, ports and airport facilities, housing and office shortages. Recent years have seen the completion of major new highways and bridges, modern ports, airports and office buildings and several housing projects. The problem now, however, is that a lull has gripped the industry because

most major projects have either been completed or nearing completion. Emphasis has now shifted to maintenance of new facilities, building of residential accommodation and the new federal capital at Abuja. With this shift, a much lower level of activity is now ranging in the industry compared with the boom years of the 1970's.

Manufacturing also experienced a significant growth in 1970-78 period. Output increased at annual rate of 10 percent in the first half of the 1970's, and later reached about 14 percent during the second half of the 1970's. Its share of the gross domestic product has been very encouraging as well. For example, in 1976-77, 1977-78, 1978-79 and 1979-80 it accounted for 5.2, 5.7, 6.2 and 6.9 percent respectively. However, it needs to be emphasised, that manufacturing production is still largely dominated by consumer goods industries although the last few years have witnessed a major shift towards intermediate and capital goods industries. Some of the projects include two oil refineries cited at Kaduna and Warri respectively. Two car assembly plants - a Volkswagen plant at Badagri and Peugeot plant at Kaduna; three commercial vehicle assembly plants, a large phosphate fertilizer plant, two big steel projects and a liquified natural gas project.

There has also been growth in the power, water and telecommunication industries. Although intermittent power failures or cuts are still rampant in different parts of the country, supply has increased significantly with the completion of new thermal plants and expansion of existing capacities. For example, in 1980, installed electricity

generating capacity increased by 5.4 percent to 1,822.7 megawatts. The major power stations are the Kainji (Hydro 760 mw). Delta (GT 312 mw), Afam (GT 252 mw), Ijora (GT 96.7 mw) Ijora II (ST 85 mw) and Sapele (ST 240 mw) accounted for 95.8 percent of the total generating capacity. The net effect of these improvements has been the shortening of 'power cuts duration time' in the period 1981/82, and increased electricity consumption in all sectors - industrial commercial and residential. Similarly, the water shortage remains, but the situation is improving more public taps are now running in the day-time, compared with the situation a few years ago. Telecommunications have also improved with the completion of several automatic telephone exchanges, although, admittedly, the services are still generally poor. For example, first class letters still take three to five days before getting to their destination. And only about 20 percent of the population are telephone subscribers.

Since Gross Domestic Product performance is not the only yardstick for a country's economic viability, an examination of another 'economic indicator' such as inflation before concluding the discussion would be in place. Inflation: In the 1970's the average rate of inflation was 14.35 percent.<sup>10</sup> The main causes of inflation during the period were a combination of factors. On the supply side the main elements were:

- i. inadequate supply of locally produced and imported commodities.
- ii. the high prices of imported goods occasioned by increases in foreign prices, international foreign



- exchange instability, higher freight charges and surcharges arising from port congestion;
- iii. high costs of domestic manufactures arising from higher wage costs, accompanied by low productivity in some cases;
- iv. monopolistic practices by some Nigerian and foreign entrepreneurs with respect to production, importation and distribution of certain commodities.

While on the demand side, were:

- i. the rapid rate of government recurrent and capital spending during the period;
- ii. the phenomenal increases in wages and salaries, in particular the awards made by the Udoji wages and salaries commission;
- iii. the rapid increases in the quantity of money supply. for example, in December 1975, the money supply was N2,044.1 (million Naira, by 1979 it had increased to N6,146.6 million Naira; showing that within a space of four years (1975-79), the quantity of money supply has quadruppled; <sup>11</sup> and
- iv. increases in demand generated by an environment characterised by expectations of inflation; particularly within those few months preceding the official publication of the Udoji awards. All the above elements on both the demand and supply side combined to accelerate the rate of inflation during the seventies.

However, since 1980 there has been a reduction in the overall inflation rate. By the second half of 1980 the rate of inflation stood at 20 per cent. With the present decline in revenue and foreign exchange reserves, rapid increases in government expenditure and imports would be severely reduced. It is therefore likely that the Government would achieve its objective of reducing the rate of inflation to below 10 per cent during the Fourth National Development Plan 1981-85.

In sum, the growth of the economy has been substantial twenty years after independence and it is likely to continue into the 1980s with the launch of the Fourth National Development Plan 1981-85. It was estimated in 1980 by some Nigerian Economists such as Diejeomah (Professor of Economics at the University of Lagos) that the rate of growth during the 1981-85 period would be higher at about 8.5 per cent per annum. During this plan period 1981-85, priority will be given to agriculture (an average growth rate of 5 per cent per annum has been set for the sector) housing, education, health and manufacturing. Also efforts will be directed to reducing the dependence of the economy on oil as a source of government revenue and foreign exchange earnings. In addition attention will be focused on the development of technology, increased productivity/reduction in the level of under-employment, reduction in rural-urban migration and the promotion of a new national orientation conducive to greater discipline, better attitude to work and cleaner environment. The overall plan will cost the Federal government about £32 billion pounds.<sup>12</sup>

Albeit the above mentioned statistics may sound very encouraging and plausible both to some Nigerians and foreign investors; the question is what impact will it have on the standard of living of the people of Nigeria? Where over 75 per cent of the population can be considered to be living in poverty, many (25 per cent) far below the poverty line.<sup>13</sup> Perhaps, an examination of the workforce would help us to provide an answer to the question.

A study of wage-salary determination may appear to be unnecessary for an agricultural economy such as Nigeria, in which the proportion of the wage-earners is a very small fraction of the labour force (see Table 7). In 1973 and 1975 agricultural shares of the modern sector employment were 7.3 and 7.0 percent respectively. In effect, agriculture still provides employment for over 70 percent of the working population. However, one question which needs to be answered before proceeding with the examination of the labour force is - why is wage-employment such a small fraction of the population?

Undoubtedly, this sort of question will attract a variety of answers or explanations; but the hard fact is that up till the first half of this century, most Nigerians had different perceptions of and attitudes towards wage-employment. Many saw the concept of wage-employment as being contrary to or in direct conflict with their customary norms and values which binds them together as a primary society. To the titled villager (chief or Mazi) or an ordinary citizen, wage-earning employment was too mean a thing; and accepting one meant degrading one's independent, self-sufficient status to that of an ubiquitous hired-labourer. In fact, working for another, unless when governed by customs and tradition, amounted to slavery. This attitude according to Elliot Berg, was 'the feature of all traditional pre-industrial societies.'<sup>14</sup>

Table 7 The Labour Market 1975-80

	1975		1980		Change 1975-80 (millions)
	No (millions)	% Share	No (millions)	% Share	
1.Labour Force	29.22	-	32.74	-	3.52
2.Unemployment Gap	1.31	4.5	0.98	3.0	0.33
3. <u>GAINFUL OCCUPATION</u>	29.91	-	31.76	-	3.85
a.Agric Sector	17.86	64.0	19.21	60.5	1.15
b.Non-Agric "	8.05	36.0	12.55	39.5	2.70
i.Large & Medium size establishments	1.40	14.2	1.86	14.8	0.46
ii.Small-scale enterprises	8.45	85.8	10.69	85.2	2.24
4a. <u>WAGE EMPLOYMENT   SECTOR</u>	2.18	7.8	2.76	8.7	0.58
a.Agricultural- sector	0.21	9.5	0.25	8.9	0.04
i.Large and medium size establishments	0.10	47.6	0.12	48.0	0.02
ii.Small-scale enterprises	0.11	52.4	0.13	52.0	0.02
b.Non-agric sector	1.97	90.5	2.51	91.1	0.54
i.Large and medium size establishments	1.40	71.1	1.86	74.1	0.46
ii.Small-scale enterprises	0.57	28.9	0.65	25.9	0.08
4b. <u>WAGE EMPLOYMENT   BY SIZE OF FIRM</u>					
a.Large & Medium size establishments	2.18	-	2.76	-	0.58
i.Agric-sector	0.10	6.7	0.12	6.1	0.02
ii.Non-agric sector	1.40	93.3	1.86	93.9	0.46

(continued on next page)

	1975		1980		Change 1975-80 (millions)
	No (millions)	% Share	No (millions)	% Share	
b.Small scale (firms)	0.68	31.2	0.78	28.3	0.10
i.Agriculture	0.11	16.2	0.13	16.7	0.02
ii.Non-agriculture	0.57	83.8	0.65	83.3	0.08
5.SELF A/C (UNPAID HOUSEHOLD WOMEN ETC.)	25.73	92.3	29.00	91.3	3.27
a.Agric-sector	17.83	69.3	19.26	66.4	1.43
b.Non-agric sector	7.90	30.7	9.74	33.6	1.84

Source: Federal Republic of Nigeria, Third National Development Plan, 1975-80, Volume I, Table 32.7, p.374.

Furthermore, to most of these traditionalists wage-employment was purely instrumental, in other words a means to achieve a set goal or objective, which in most cases was to accumulate enough money with which to pay the dowry for a wife. The moment such budgeted cash was amassed, the worker retired to his village. A number of alternatives were usually open to him. He may decide to remain in the village and carry on with full-time subsistence agriculture; or he may choose to practise village craft or be engaged in some local cottage industry like weaving or pottery. On the other hand, particularly in big villages, he may decide to enter modern occupations such as hair-dressing and photography. For those with little cash, petty retail trading which afford them the opportunity of visiting the townships or cities occasionally is an attractive occupation.

However, the two world wars had this negative attitude among the traditional people towards wage-employment quashed. For soon after the outbreak of the Second world war the government had over 40,000 Nigerians recruited into the armed forces to be trained in different skilled jobs; such as mechanics, electricians, telephonists, motor drivers and store keepers. At the end of the war, the Labour Department was faced with the daunting task of re-settling over 120,000 demobilised soldiers and other servicemen, two-thirds of whom registered for wage-employment.

Various reasons have been advanced for this change of attitude among these traditional people. Firstly, it was discovered that many of the discharged soldiers had decided to seek wage-employment because of lack of sufficient personal 'capital' with which to start private businesses. In effect, many thought that they would be able to fulfil this aspiration after a period of such wage-employment. Secondly, some of the semi-educated ones among the soldiers expressed the view that farming (as practised in the villages) was a mean occupation.

Finally, many soldiers felt that wage-employment was by definition the most reliable and regular source of cash with which to acquire the paraphernalia of modern living such as bicycles, gramophones, radios, nylons and other clothes for their wives and relatives. Consequently, since the 1940s the labour force as a percentage of the population has been increasing though wage-earners still remain a small fraction of the labour force as Table 7 has shown.

It is worthy of note, however, that during the 1970's the labour force has been increasing in absolute terms by about 630,000 per annum. As can be seen from table 8 almost half of the population was in the labour force between 1965 and 1980. The labour force participation rate is estimated to be 78 percent (based on the 1967 labour force sample survey). Another significant feature of the Nigerian labour force is the predominance of semi-skilled or unskilled labour with little or no work experience. The labour force sample survey of 1966/67



Table 8 . Organised Labour and the Labour Force, 1965-80.

Year	(A) Population (000)	(B) Labour force (000)	Labour force as % of po- pulation %	(C) Organised Labour <sup>1</sup>	Organised labour as % of La- labour force
1965	48676	23810	49	544016	2.3
1970	55073	26080	47	700416	2.7
1975	62925	29220	46	864249	3.0
1980	72596	32740	45	N.A.	N.A.

Source:

- (a) United Nations Report on Monitoring of Population Trends, Population Commission, Nineteenth Session, 10-21, January 1977.
- (b) Third National Development Plan 1975-80, Volume I, Table 32.1, p. 369, Federal Ministry of Economic Development, Lagos.
- (c) Federal Ministry of Labour & Productivity Various Reports.

Explanatory Note:

1. Organised labour force here means wage/salary earners

the only comprehensive survey to date showed that the labour force is generally young, with about 70 percent clustering around 15-40 years of age.<sup>16</sup> In addition, the 1966-1967 survey also revealed that the labour force participation rate is higher among males than females approximately 94.8 percent in the former and about 64.8 percent in the latter.

The 1966-1967 survey further revealed that wage-employment in agricultural sector was an infinitesimal fraction of the total wage-employment, it stood at .6 percent in urban areas and 0.8 percent in rural areas. This contrasts with the share of 21 percent recorded by the non-agricultural sector during the same period. In 1970, wage-employment represented 5.8 percent of the total gainful employment and by 1975 and 1980 it had gone up to 7.8 and 8.7 percent respectively (Table 7.).

With regards to sectoral employments, in 1973 employment in the various sectors totalled 1.39 million and by April 1975 it had increased to 1.5 million an increase of about 8 percent (Table 9.). The public sector tops the list with 75.2 percent (See Table 10.). However, from the above statistics it has become very vivid that the wage earning population is very small when compared to, firstly, the size of gainful employment; and secondly the labour force as a whole. Indeed, both the 1975 and the latest (1980) figures of 2.3 and 2.7 percent respectively of wage-earners in Nigeria as a percentage of

the population bore further testimony to the problem of wage employment in the country.

Looking at table 9 one can notice the relatively large size of employment in the service industry. It can be seen from the table that in each of the years (1965-75) under consideration, employment in the industry accounted for more than a third of the wage-earning population, and remains the largest source of wage-employment in the country. This pattern of distribution actually reflects the nature of the modern sector employment in Nigeria as primarily commercial rather than industrial, albeit the drive now is for massive industrialisation. Also from the same table it can be seen that both the manufacturing and the construction sectors recorded big increases in employment. The apparent increases (in employment) in these sectors particularly in the manufacturing and the construction sectors reinforces the federal government's total commitment towards industrial growth.

Furthermore, employment in agriculture in the four years as shown in table 9 below declined from 13.5 to 7 percent of the wage-earning employment. For instance, in 1965, employment in the industry numbered around 59,280 workers, in 1966, barely one year it had gone up to 163,900 workers, an increase of about 176 percent. However, in 1973 (table 9) it dropped sharply to 101,500 (workers) but rose again in 1975 to 105,000 (workers) an increase of about 3.4 percent. Undoubtedly this

Table 9 Sectoral Distribution of Employment in Nigeria 1965-75

Industry Group	E M P L O Y M E N T							
	1965		1966		1973		1975	
	Number	% Share	Number	% Share	Number	% Share	Number	% Share
Agriculture	59280	10.5	163,900	13.5	101500	7.3	105000	7.0
Mining & Quarrying	34900	6.2	NA	-	89000	6.4	90000	6.0
Manufacturing & Processing	64980	11.5	110,000	9.1	297400	21.4	324000	21.6
Constructional Building	87780	15.5	51500	4.2	190400	13.7	210000	14.0
Electricity, Gas and Water	13680	2.4	NA	-	29200	2.1	30000	2.0
Distribution	41660	7.4	58500	4.8	97300	7.0	99000	6.6
Transport & Communication	53580	9.5	119000	9.8	89000	6.4	91500	6.1
Services	209,180	37.0	672000	55.4	496200	35.7	550000	36.7
Others	NA	-	37400	3.1	-	-	-	-
Total	565000	100.0	1,212,300	100.0	1,390000	100.0	1,500000	100.0

Source: Computed from the Second National Development Plan 1970-74, Table 5, p. 328; and the Third National Development Plan 1975-80, Federal Ministry of Economic Development, Lagos, Vol. I, Table 32.2, p. 371.

sudden fall in agricultural employment since 1973 may be due to the significant growth in recent years in other sectors, such as the building and construction sectors. In addition, the fall in agricultural sector employment may be due to the fact that a significant proportion of Nigerian workers now demand good wages, and jobs that offer better conditions of service and prospects for advancement; which agricultural jobs hardly offer.

Moreover, most workers are now inclined to become semi-professionals (in the building and construction industry) such as architects, plumbers and building contractors, so as to maximize their earnings, and hence enjoy better living standards.

Clearly, the above recent developments have left agricultural industry in a rather difficult position. As a consequence food importation has been on the increase since 1978. The government spends about \$1 billion dollars a year, around 8 percent of its oil revenue, importing food. The consolation, however, is that the federal government has acknowledged this problem; and in the present national development plan, the 4th national Development Plan 1981-85, top priority is being given to the industry through the 'Green Revolution Programme'. According to this plan, agriculture is to receive 13 percent of the planned investment, twice the figures for the Third National Development Plan. Nonetheless, some critics are of the view that the figure still fall below the 21 percent allocated to other industries (a much smaller section in the economy). Nor is the figure greater than what many African countries have already allocated to

their agricultural sector.

Employment in mining and quarrying (table-9) has grown at a tremendous pace in sectoral employment distribution. For example, in 1965 a total of 34,900 people were engaged in the sector, by 1975 the figure had increased to 90,000 (people) an astonishing 158 percent increase in just ten years. This rapid rise in employment in the sector is largely attributed to the upsurge in oil production with its attendant investment programmes.

Our discussion of wage-employment and the labour force would seem rather incomplete without special spotlight on the public sector employment in the country. Perhaps, another significant feature of the Nigerian labour force is the predominance of wage-earning employment in public sector. Table 10 reflects the estimated public sector employment for 1973 and 1975. It can be seen from the table that in September 1973 a total of 901,828 (people) was employed in the public sector, which accounted for 65 percent (64.86%) of the modern sector employment in that year. In April 1975 the public sector accounted for over 67 percent of the modern sector employment, a percentage increase of 11.95 percent between September 1973 to April 1975.

Table 10 further shows that Governments (Federal, State and local) alone accounted for 38 percent of the public sector employment in 1973, and 40 percent in 1975.

Table 10. Public Sector Employment in Nigeria, 1973 and 1975

	E M P L O Y M E N T			
	September 1973		April 1975	% increases Sept 1973-75
	Number	%	Number	
1. Federal Civil Services	121,953	13.52	144,500	18.49
2. State Civil Services	136,530	15.14	167,600	22.76
3. Local Government	80,500	8.93	92,500	14.91
4. Corporations (incl. Universities & Govt. Companies)	148,845	16.50	160,000	7.49
5. Teaching Service	164,000	18.19	195,000	18.90
6. Others	250,000	27.72	250,000	-
Total	901,828	100.00	1,009,600	11.95

Source: Federal Republic of Nigeria Third National Development Plan 1975-80. Volume 1, Table 32.4, p.371.

Moreover, the combined public sector employment (government, institutions and corporations) constituted 67 percent of the entire estimated wage-earning employment in 1975 (table 7). What is instructive, however, from our discussion on the public sector employment is that, the sector is having an overall influence in the working of the industrial relations system, particularly in wage/salary policy issues. In that, as the largest single employer of industrial labour, it dictates the pace of wage/salary movements in the country.

Another aspect of the country's 'work force' which is worthy of emphasis is the unemployment situation. This is of particular importance because 'unemployment' is now one of the most difficult economic problems facing the country. Although statistical evidence on the extent of unemployment is fragmentary there is no doubt that both unemployment and underemployment are wide spread in the country particularly in the urban centres. The high concentration of unemployment in the urban centres is a consequence of rural-urban migration. For example, a recent study carried out in Lagos shows that in 1972, 49.2 percent of the unemployed people came from the former Western state; while 12.9 percent came from the former East - Central State.<sup>18</sup> Underemployment is mainly a rural area problem and the people prone to it are those described as the 'working poor' - that is those who work hard but earn too little to maintain a decent living standard.<sup>19</sup>



Table 10.1. Urban Unemployment -  
Distribution in Nigeria

Urban Centres	Unemployment Rates (%)	
	November 1974	1976
Lagos (Metro)	7.2	6.2
Ibadan	5.7	4.1
Benin	13.1	4.1
Enugu	11.5	9.0
Korin	1.5	1.6
Kano	2.2	3.3
Maduguri	5.0	6.1
Sokoto	2.0	2.8
Kaduna	6.1	n.a
Jos	6.2	5.6
Port Harcourt	13.3	8.6
Calabar	22.3	13.5

Source: National Manpower Board, 1977 as quoted in *Diejomaoh, V.P., The Structure and Nature of Nigeria's Manpower Resources' Management in Nigeria, xiii, 5 June 6 July 1977, p. 28*

Table 10.1 depicts the unemployment rates in the different urban centres in the country for the years 1974 and 1976. As can be seen from the table, Calabar in the South-Eastern state has in both years the highest rates of unemployment. Following Calabar is Anambra State which recorded 11.5 percent in 1974 and 9.0 percent in 1976. The position in both centres contrasts sharply with the position in centres like Illorin which had an average unemployment rate of 1.55 percent and Sokoto with 2.4 percent average. What the present level of urban unemployment implies is for future public policy to be directed towards the industrialisation of the rural areas so as to reduce the pressure on these centres.

The brief conclusion to be drawn from this discussion is that both the economy (measured in terms of GDP), and the labour force have shown a significant growth rate in the last ten years. For example, the economy has grown from a GDP of about ₦2 billion Naira in 1965 to ₦30 billion in 1980. Similarly, the labour force has increased from a total labour force of 23.8 million in 1965 to 32.74 million in 1980; even though as a percentage of the population it remains very small.

## 1.2 WAGE/SALARY STRUCTURE IN NIGERIA

In the preceding section, we attempted to examine the economic and labour force structure of Nigeria. It is the intention of this section to examine the wage/salary structure with a view to finding out whether the structure is 'rational' enough to perform the distributive, the productive and the allocative functions necessary for rapid economic development.

In contrast to a 'wage' which is defined as the price paid to labour as a factor 'input' in the process of production in an economic system; a wage structure refers to the set of inter-relations among a collection of wages. It is the pattern of relative wages disclosed when the labour market is looked at in divisions based on its broad characteristics.<sup>20</sup> It, therefore, shows the differences in income due to differences in skills, industries, sectors and in geographical location.<sup>21</sup> Like the labour market in general, the wage structure is regarded as one of the crucial issues in an employment oriented development strategy.<sup>22</sup> As noted above it is central not only to development strategy per se, but also as a vehicle for raising living standard and production through increased supply of skilled and high level manpower, and enhancement of equitable income distribution.

As indicated earlier in the discussion, a rational wage structure performs certain functions in an economic system. These include: firstly, to ensure an equitable income distribution among the work force in particular the low paid, to enable them

to maintain a minimum living standard. This function can be achieved through a number of ways. Firstly, by granting large wage increases to this group of (low paid) workers, who are composed mainly of semi-skilled and unskilled where differentials are wide. Secondly, this may be done through a basic allowance or income guarantee, which is the amount paid to a family whose income for the year is zero.<sup>23</sup>

Secondly, it can be used as an incentive device to raise productivity. In this regard, wage structure is adapted in such a way that it can provide useful incentives for workers to acquire needed skill-vital for high degree of responsibility and productivity. As the ILO noted during one of its proceedings in 1967,

"Wage differentials based on skill are a major incentive to learn new skills and move up the occupational ladder".

24

Thirdly, a well structured pay system can help in the re-allocation of labour to those sectors of the economy where labour is in short supply but in great demand, as well as to move labour away from those areas where unemployment and underemployment are concentrated. In addition, it can be used as a vehicle to move labour from low productivity to higher productivity sectors, for example from the agricultural sector to manufacturing industries. There is no doubt that for a wage structure to fulfil the above functions or objectives it has to be well designed. However, measurement of relative wage differentials

is not an easy task particularly in the developing countries; in the next few paragraphs we shall be examining some of these problems.

Broadly, a major problem with the measurement of relative wage differentials is the lack of objective criteria for measuring and comparing differences in degree of 'skill' in any given occupation. To begin with, job definitions and contents differ between countries and sometimes within countries over time. By lack of objective criteria we mean that there are no set of rules or guidelines which can be universally applied when differences in skill are being measured or compared. For example, what level of skill should be taken as a yardstick? How should it be measured? These are some of the daunting questions associated with skill differentials measurement.

Secondly, there is the problem of data availability. Particularly prone to this problem are the developing countries, where it is difficult to obtain earnings and related data in the first place. If such data is available it would either be very incomplete or in a format which would render it unsuitable for empirical studies. Berge underscores this point when he noted,

"Aside from the inherent methodological problems, practically nothing is known or available about wages or

wage trends in the underdeveloped countries. Such information as is available is unsystematic, uncertain, and often contradictory".<sup>25</sup> Recent experience by the researcher during the field work in Nigeria reinforces Berg's assertion. For example, in one of the companies selected for the survey, it was found that the research officers were unable to produce a comprehensive list and the total number of all the employees in the company. Requests for statistical information covering a number of issues such as on earnings, absenteeism rate could not be met. It was not because the managers were not prepared to assist but because the information requested of them was in a very 'poor format'.

The third problem is that of comparing rural (agricultural) and urban average incomes. This problem stems from the fact that farmers derive their income from other sources outside the 'return' from sales. These other sources include income from petty trading, transfers from friends and relatives in the cities. When comparing rural-urban incomes it becomes very difficult to account for these extra sources, in terms of deciding whether to include or drop them in the process.<sup>26</sup> In addition, agricultural incomes consist partly of 'subsistence' output of which a significant proportion is locally consumed by the farmer and his household, and it is difficult to put a value on them as part of income.

Furthermore, in most developing countries, for example in Nigeria, fringe benefits (overtime and bonus payments)

are rarely taken into account by personnel managers when computing items making up an employee's pay packet to establish the range of earnings for various skill categories. With the result that most investigators are often left with representative wages even where formal classification scheme existed. Bearing these limitations in mind, we can now proceed with the examination of the Nigerian wage differentials, and comparing them with developed countries.

A striking feature of the wage/salary structure of most developing countries is the existence of large 'differentials' between the various categories of workers. Thus, there exists rural-urban incomes disparities, occupational differentials, and inter-industry wage differentials. The net effect of these continuing large wage differentials, particularly between the rural and urban workers, is the increase in recent years in the rural-urban 'drift' among the farmers and young men and women in search of higher income jobs. This in turn, gives rise to urban unemployment, shortage of housing accommodation, insufficient sanitary conditions and related social problems.

However, in recent years, the drive to bridge this earnings gap has been intensified, through government minimum wages, social legislation and industrial relation policies.

It is quite understandable that wage differentials are usually a problem in the early stages of development because of scarcity of skilled labour which has to be compensated in order to stimulate the supply of skilled labour. But it is not enough reason to explain the current large wage differentials in the developing countries. Anyway, it can be argued that the current large 'differentials' in the developing countries are to some degree due to their neglect, and the relegation to a subsidiary role of collective bargaining in the wage determination process. One of the beliefs which stimulated interest in this area of research was that collective bargaining is the only mechanism capable of creating a basis for a more acceptable level of wage differentials. Unlike the other mechanisms such as wage commissions or arbitration which has no basis for comparing jobs to establish their relativities, the collective bargaining employs sophisticated management techniques (such as 'job evaluation') which has the potential to create equity in an organisation's wage structure. The experiences of the developed countries such as the United Kingdom and the United States where the collective bargaining mechanisms is extensively used in the determination of employees remuneration rates lend support to the assertion. In these countries (UK and USA) 'differentials' are hardly noticed, as the succeeding paragraphs would highlight.



Take the issue of 'skill differentials' for example, in the United Kingdom, the earnings gap between a skilled and unskilled hourly rated manual workers is not much. This is illustrated on table 11 which depicts the average earnings for the two classes of workers in 1978 and 1979. The table shows that, for example in 1978 that the cash difference between the average earnings of a skilled male worker and the unskilled male worker was £964.00 pounds a ratio of 1.3:1, while in 1979, it was a cash difference of £1162.00 pounds but with the same ratio of 1.3:1. In addition, the overall percentage change for both class of workers for the two years was a similar one.

Similarly, in the United States, the picture is the same, as table 11.1 depicts. It might be argued that differences exist between the UK and the USA tables in terms of occupational distribution categories and perhaps the years selected for the analysis, and hence might affect the comparisons. Such differences might not matter so much since the two tables are illuminating enough. Again lack of more suitable data left the researcher with no alternative choice hence. The table shows for example that in 1975 a skilled worker's (craftsman) weekly average earning was \$223 dollars, while that of unskilled (operative) labourer was \$164 dollars a cash difference of \$59 dollars, or a ratio of 1.4:1. The gap in subsequent years has remained the same.<sup>27</sup>

Table 11. Occupational Class Earning Averages in UK  
1978 and 1979

	Sex	1978 £	1979 £	% of 1978
1A. Higher Professions	M	5948	6658	112
	F	(4830)	(5548)	(115)
1B. Lower Professions	M	5170	5637	109
	F	3736	4119	110
2B. Managers etc	M	5996	6796	113
	F	3768	4309	114
3. Clerks	M	3701	4229	114
	F	2730	3072	113
4. Foremen/women etc	M	4685	5526	118
	F	3214	3590	112
<u>MANUAL WORKERS</u>				
5. Skilled	M	4354	5197	119
	F	2246	2619	117
6. Semi-skilled	M	3827	4520	118
	F	2356	2699	115
7. Unskilled	M	3390	4035	119
	F	(2275)	(2507)	110
All	M	4633	5273	114
	F	2881	3276	114

Source: Department of Employment's New Earnings Survey 1979  
(Gray Routh's Occupation and Pay in Great Britain  
1966-1979 Table 2.31).

Table 11.1 Weekly Earnings of Full-time Wage And Salary  
Workers in the USA, 1970-1975

Occupation	1970	1972	1973	1974	1975
All Workers	\$130	\$144	\$159	\$169	\$185
Professionals & Technicians	181	192	212	228	246
Managers, Administ.	190	214	238	250	274
Sales workers	133	151	163	172	189
Clerical workers	109	121	130	140	150
Craft & Foremen	157	172	195	211	223
Operative (Unskilled)	115	126	140	150	164
Operative (Except train)	NA	119	132	141	157
Transport Equip Operator	NA	152	169	180	198
Non-Farm Labourers	110	123	138	149	154
Private household workers	38	40	39	50	54
Other service workers	87	104	111	117	123
Farm workers	71	80	96	107	111

Source: US Bureau of Labour Statistics Special Labour Force Report No 143, Usual Weekly Earnings of American Workers, 1971.

On the other hand, table 11.2 illustrates the much discussed issue of abnormal skill differentials that exist in the developing countries particularly in Africa. The choice of Swaziland for illustration is arguable, but can be justified on the following grounds. Firstly, the extreme nature of its skill differentials make it suitable for academic analysis - for it offers basis for sharp comparisons and contrasts. Secondly, Swaziland was chosen because it is a developing country, since over concentration on 'data' from Nigeria would raise some question on the international representativeness of the data.

However, it might be argued that the small size of its workforce renders it unsuitable for this scale of research which representativeness of a sample counts much. Secondly, it may be argued that since the country is having skilled manpower problems at this stage of its economic development that the present income differences might be a deliberate government strategy to attract and retain skilled manpower hence its unsuitability as empirical data. The foregoing arguments aside, Swaziland was chosen because of the extreme nature of its skill differentials which offer good facts for academic discussion.

The table shows that in 1974 for example, that a skilled male worker was receiving 410 Enalagemen<sup>28</sup> per month, while the unskilled male worker was on 41 Emalangeni per month, a difference of 369 Emelangenis or a ratio of 10:1 or 10 times more than the unskilled worker. Almost in line with the situation in Nigeria. Although some

Table 11.2 Wages in Manufacturing (All Industries) in Swaziland Africa 1970-80

Year	Payment Monthly	
	Skilled Worker	Unskilled Worker
1970	NA <sup>2</sup>	NA
1971	NA	NA
1972	240	34
1973	205	34
1974	410	41
1975	383	43
1976	370	67
1977	477	68
1978	521	90
1979	NA	NA
1980	NA	NA

Explanatory Notes

1. Emalangeni - is the official currency in Swaziland just as pound sterling is in the UK and Naira and Kobo in Nigeria.
2. N.A. - here means Not Available.
3. Workers here referred to are male workers only.
- 4.- 1.7105, Emalangeni = £1 (one pd. sterling).

Source: The International Labour Organisation Year Book of Labour Statistics 1980, pp. 442-451.

changes seem to have taken place since 1978 with the ratio narrowing from 10:1 to 6:1 or 6 times, but the difference remains much when compared with the positions in the UK and the US where ratios are 1.3:1 and 1.4:1 respectively.

With regards to the public sector pay differentials, particularly the incomes gap between the highest and lowest manpower, in the developed countries the differences are generally not very wide. In the UK for example, the ratio between a post office executive (general clerical) and a manual worker (manipulative grade) average gross weekly earnings is 1.1:1. Similarly, in the United States in 1975, the average earnings of those in the professional and technical occupations were no more than approximately two times the average earnings of operatives.<sup>30</sup> In the Soviet Union these differentials are even more compressed, as is suggested by the fact that in 1964 average industrial earnings exceeded average earnings of medical Doctors by almost a third, and average teacher wages by even more.<sup>31</sup>

Wage differentials in Nigeria include large occupational (skilled and unskilled), urban and rural, as well as public sector (lowest and highest paid government employee) differentials. In this discussion, however, attention will be focused on a limited number of issues that are either most discussed in the literature or are particularly important from the urban policy point of view. These include rural-urban income differentials, skilled and unskilled manual workers (in the private sector) differentials, and in the public sector - the highest and lowest manpower differentials. The main reason for the omissions being simply that it will not be possible to have a meaningful discussion on all these elements of wage structure within the confines of the study. The order which these issues have been arranged for discussion here has nothing to do with the degree of importance of each of the issues being discussed.

As emphasised above, the size of the rural-urban income differential is a basic problem in attempting to develop an equitable wage/salary structure in Nigeria. The long-term effect of this disparity in incomes accounts for the rural-urban drift of workers particularly the young farmers in search of higher income - earning jobs. For the purpose

of this discussion rural income is defined as income of those in subsistence agriculture (peasant farmers) and related employment.

The statistics in table 11.3 shows that, the average income from rural areas at both rural and urban prices are far too low compared with those of urban areas. Average income per head is ₦92 Naira at rural prices and ₦128 Naira at urban prices in the rural area. While in the urban sector average income per head is ₦559 Naira at both urban and rural prices.



Table 11.3 Estimates of Rural and Urban Income (At Rural and Urban Prices' 1977-78.

	Rural Prices	Urban Prices
<u>TOTAL INCOME PER SECTOR</u> (IN MILLION OF NAIRA)		
Non-Agricultural (Urban)	14,689	14,689
Agricultural (Rural)	5,389	7,497
Represent: Cash	1,617	1,213
Subsistence	3,772	6,284
<u>AVERAGE INCOME PER HEAD</u> <u>IN EACH SECTOR</u> (IN MILLIONS NAIRA) (P.A.)		
Urban	559	559
Rural	92	128
Ratio	6.1	(4.4)

Explanatory Notes:

1. Food prices in urban area are assumed to be 1.66 times as high as in rural areas, but that prices of consumer good were 1.33 times as high in rural as in towns (urban).

Source: I.L.O (JASPA) Jobs and Skills Programme for Africa (meeting the basic needs of the people of Nigeria) Table 41, Addis Ababa 1981.

Also reinforcing this income gap concept between the two areas (urban-rural) is the data in table 11.4. The table shows that back in 1973-74 and 1978-79, the per capita income of urban workers was ₦225.00 Naira and ₦585.00 Naira per annum respectively on average. Whereas the rural (agricultural) farmers per capita income was ₦59.00 Naira and ₦96.00 Naira per annum. The table further reveals that by 1978-79 farmers income had increased by two-thirds while non-farmers income had doubled, so that between 1978-79 the rural-urban income gap had widened from 1:4.7 to 1:6.1.

The Nigerian urban economy consists of three major groups: the wage earners, informal sector operators and formal sector entrepreneurs. Among the wage/salary earning class are - the skilled, clerical officers, unskilled, semi-skilled and top government officials. On the other hand, the informal sector operators include street vendors, tailors, petty traders and carpenters. The formal sector entrepreneurs include indigenous businessmen and middle managers in multi-national companies. One thing in common with these groups is the huge disparities in income levels existing between them. The earnings gap between the two traditional competitors

Table 11.4 Agricultural and Non-Agric (Urban) Incomes  
1973-74 and 1978-79.

	1973-74	1978-79
CONSUMPTION EXPENDITURES:	8,848	21,924
<u>Agriculture (Rural)</u>	3,352	5,657
Subsistence	2,346	3,960
Cash Balance	1,006	1,697
<u>Non-Agriculture (Urban)</u>	5,496	16,267
Population (Millions)	77	87
Rural:Urban	74:26	68:32
PER CAPITA INCOME (NAIRA P.A.)	115	252
Total		
Agriculture (Rural)	59	96
Non-Agriculture	275	585
<u>Ratio: Agriculture</u>		
None-ogriculture	1:4.7	1:6.1

Explanatory Notes:

1. The data used in this table is 'a raw data' (by the ILO JASPA summary) which means that there was no allowance made for price changes. However, the differences such adjustment could have made on the evolution of the rural-urban income gap remains to be seen.

Source: Ibid., page 220, table 47.

(skilled and unskilled) in the wage-salary earning class being the worst affected, as shown in table 11.5.

Table 11.5 illustrates the financial position of the unskilled workers in an estimated income distribution in Nigeria in 1973. The table indicates that when the aggregate income of the unskilled worker was ₦125.00 Naira per annum, that of his skilled worker counterpart was ₦705.00 Naira per annum a ratio of 1:5.6. The same table further reveals that the skilled worker earns ₦1500 Naira per annum and his five times better off than the unskilled worker with an average income of ₦320.00 per annum.

Nor is there incomes parity between the unskilled worker and the semi-skilled worker, as can be seen from the same table. While the unskilled worker's average income was ₦320.00 Naira per annum, the semi-skilled worker doing the same number of hours a week like the unskilled worker was receiving ₦700.00 Naira per annum. Moreover, the position of the unskilled worker is relatively the same when compared with the other urban "income hunters" such as the street vendors, tailors, mechanics, carpenters and small shopkeepers as the income league table has shown.

Furthermore, from the same table we can see the gap between the unskilled worker's average income and that of a Nigeria professional. At an average income of ₦4500.00 Naira per annum, an average Nigerian professional earns 14.1 times as much as an average unskilled worker

Table 11.5 An Estimated Distribution of Income in Urban Nigeria, 1973.

(000)	Number (000)	Aggregate Income Millions of Naira	Average Income Naira P.A.	Numbers Income (Per capita)	
Unskilled Workers	390	125	320	10.9	2.2
Informal Sector I (Street vendors)	700	262	374	19.6	4.7
Informal Sector II (tailors, mechanics Carpenters)	1000	538	538	27.9	9.7
Semi-skilled	337	236	700	9.4	4.2
Skilled/Clerical	470	705	1500	13.1	12.7
Informal Sector III (Small shop-keepers, taxi owners)	300	654	2181	8.4	11.8
Professional, Nigerians	55	248	4500	1.5	4.5
Formal Sector entrepreneurs	300	2493	8310	8.4	44.9
Professional, Non-Nigerian	27	297	11000	0.8	5.3
<u>Total</u>	3580	5585	1553	100.0	100.0

Source: Report to the government of Nigeria by the ILO (JASPA) Basic Needs Mission - Jobs and Skills Programme for Africa Addis Ababa.

(a ratio of 14:1). While the formal sector entrepreneur business executives, and managers earn twenty six times as much as the unskilled workers.

Not surprisingly, this table further shows that, even though the unskilled, the semi-skilled and other informal sector wage earners formed 80 percent of the urban population their share of urban income is only 21 percent. Whereas, the skilled workers who constitute only 13.1 percent of the urban population earned 12.7 percent of the urban income; the remaining 55 percent is shared by a small minority group of workers (entrepreneurs) who formed only 10 percent of the urban population. But what is the position like in the public sector where there are more trained and educated manpower than in the private sector? To answer this question we need to examine the public sector wage structure more closely.

In Nigeria, the government is by far the largest single employer of labour as was shown in table 10.2. Additionally, the government is the largest employer of highly trained and educated manpower. In fact, it is reckoned that three out of four university graduates work for the government though in recent years the position is gradually changing.<sup>32</sup> The main reason for this shift is that young graduates now prefer taking up employment in the private sector where it is believed that they can maximise

their net rate of returns in a very short-term; rather than joining the civil service to 'mark-time' and wait for pension and gratuity.<sup>33</sup>

To be examined as already emphasized is the wage/salary disparity between the permanent secretary (Highest level manpower) and the watchman or the lift attendant and those in related jobs (lowest level) in the civil service as at present. In the public sector, employees wage/salary structure is graded, the range being from level one to level seventeen L 01 - 17 as shown in table 11.6. There are seven steps in this revised salary structure though the 'step increase' is not applicable to all grades. It only applies to those on level 10 downwards; those on level 11 upwards are not included. The old structure had eight step increases.<sup>34</sup>

Making up levels one to two are the watchmen, lift attendants, guards and related unskilled workers. The typists, telephone attendants with little or no job experience constitute the group that make up level three (L 03). Level 04 is made up of craftsmen, drivers/mechanics and assistant clerical officers (officers with government class iv or attempted school certificate). The school certificate/GCE 'O' level holders (clerical officers) and craftsmen with several years of job experience constitute levels 05 and 06. Graduates (university/polytechnics) after a year's national youth service are started on level 08. The same grade level in which confidential secretaries with few years of experience are

Table 11.6 Revised Salary Scales in the Civil Service 1975

Grade Level	Steps							Incremental 7+	Rates
	1	2	3	4	5	6	7+		
01	N 846	N 870	N 894	N 918	N 912	N 966	N+ 996+	24/30	
02	942	972	1002	1032	1062	1092	1122+	30	
03	1044	1080	1116	1158	1200	1242	1284+	36/42	
04	1320	1362	1404	1446	1488	1530	1572+	42	
05	1626	1698	1770	1842	1914	1986	2058+	772	
06	2142	2238	2334	2430	2526	2522	2718	96	
07	2832	2952	3072	3192	3312	3432	3552	120	
08	3564	3714	3864	4014	4164	4314	4962	150	
09	4668	4830	4992	5154	5316	5478	5640	162	
10	5760	5922	6084	6246	6408	6570	6732	162	
11	6744	6924	7104	7284				180	
12	7404	7620	7836	8052				216	
13	8064	8384	8704	9024				320	
14	9168	9488	9808	10128				320	
15	10296	10812	11326					516	
16	11568	12144	12720					576	
17	12996	13632	14268					636	

Source: Main Report; Public Service Review Panel  
(headed by Akintola Williams) Ministry of  
Information Lagos, June 1975, p. 147.



grouped. New entrants with post-graduate qualifications - (DMS, M.A; MSc) together with executive officers with several years of service are grouped on level 09.

Levels 10-12 are occupied by senior executive officers, principal secretaries, architects, accountants, and civil engineers with some years of experience in the government service. While levels 13-16 are made up of senior and principal executives officers with fifteen to twenty years of service in the ministry. In addition, assistant directors and senior managers in para-statal organisations are in this group. The highest grade level as shown in table 11.6 is level 17. This grade level is mainly occupied by permanent secretaries, senior directors and managing directors of state owned companies such as the Nigeria Airways Ltd., Nigerian Railways and the National Electric Power Authority (NEPA). One striking thing about grade levels eleven to seventeen (L 11 - 17), is that they are drawn with comparable senior-management posts in well-established and effectively managed private firms whose annual turnover is over and above ₦ 2 million Naira.<sup>35</sup> With the overall aim of; firstly, attracting new high level manpower; and secondly to prevent mass exodus of high level manpower from the civil service to the private sector.

Another set of relative wages/salaries grade levels which need to be mention in passing are those of special public officers namely: chief justice of the federation including judges, inspector-general of police and vice-chancellors of universities. (Table 11.7). A knowledge of these grade

levels would help to highlight the extent of wage differentials in the developing countries which we discussed earlier. In any case, since it was not intended to be discussed here we have to proceed with the main discussion

- examination of wage differentials between the permanent secretary (highest) and the watchman or lift attendant (least) paid government employee..

Table 11.7. Public Officers On Special Salary Scale and Related Wage Differential

Post	Wages in Naira	Ratio to Scale 01
Chief Justice of the Federation	16,200	19.1:1
Secretary to the Federal Government	15,120	17.9:1
Inspector-General of Police	15,120	17.9:1
Supreme Court Judges (C.APP)	14,400	16.6:1
Secretaries to State Govts.	14,040	16.8:1
Chief Justices (States)	14,220	16.8:1
Grand Khali	14,220	16.8:1
Vice Chancellors <sup>1</sup>	14,040	16.6:1

Source: The Public Service of Nigeria - Government Views on the Report of the Public Service Review Commission, Lagos, 1974, p. 70.

Notes: 1. Vice Chancellors are no longer on the present grade level system 01 to 17. They are now on a new University System Scale (USS) 01 to 15. Government views on the report of the Presidential Commission on Salary and Conditions of Service of University Staff. National Assembly Press, Lagos, 1981, pp.4-12.

Table 11.6 reinforces the assertion that wage differentials in Nigeria at all levels are large. The table shows that the incomes disparity between the permanent secretary (highest level) and the watchman or lift attendant (least paid) workers is wide. While the permanent secretary on step one earns ₦12,996 Naira per annum, a watchman or lift attendant earns ₦846 Naira per annum. In other words, the permanent secretary earns fifteen times as much as the watchman in the civil service. A ratio of 15.4:1, it can be argued that the gap now is being bridged in the 1970s and 80s. Nor is the incomes differential between the graduates on grade level 08 and 09, the executive officers on levels L12 to L16 and the watchman/lift-attendant proportionate. A post-graduate government employee on grade level (L09) earns five times as much the watchman or lift attendant; a ratio of 5.5:1. Quite in sharp contrast with the position in the developed countries as noted in the preceding sections.

However, a fundamental question which has yet to receive a satisfactory answer is why should developing countries have such large wage/salary differentials? Earlier in the discussion we argued, that to some degree such large 'differentials' were as a consequence of the 'neglect' of collective bargaining which creates basis for a more acceptable wage differential in a society by the developing countries in the wage determination process. On the other hand, most of the explanation for

the large differentials in the developing countries by economic commentators centres around the 'market forces' - that is economic forces of supply and demand. It is generally held that the supply of unskilled labour is relatively abundant while the supply of skilled labour is relatively scarce and in great demand.<sup>36</sup> An explanation which has some conotation with the "natural history of wage structure hypothesis" - that differentials are wide in early stages of development because the supply of unskilled labour is relatively abundant, the supply of skilled labour relatively scarce.<sup>37</sup> Since basic economic theory has it that in a perfectly competitive labour market, the co-existence of surplus unskilled labour with a shortage of skilled labour would in the short-run mean a large premium for 'skill' hence the differentials.

Secondly, it is held that wage structure operated by most ex-colonial administrators in the developing countries contributed to the present large wage differentials. In that, wages of trained and educated people were structured to be high enough not only to permit recruitment from abroad but also to permit a level of living considered 'appropriate' to expatriates in a colonial society. Stressing on this point with respect to Nigeria, Nwabueze asserts that:

"This degree of wage disparity existed because the colonial government operated a high wage policy for the top echelon of the public service who were mostly Europeans".<sup>38</sup>

In any case, as noted earlier, in recent years the case for closing the wage 'differential gap' in most developing countries is now receiving more attention. For instance, in Nigeria and Ghana there have been very few wage increases for those in the upper grade levels in the civil service wage structure; while the wage rates of the unskilled and semi-skilled workers have risen markedly.<sup>39</sup> Thus, by 1975, the ratio between university graduates starting rates and the rates for unskilled labour in government service had fallen to about 4.75:1 in most of the continent.<sup>40</sup> The reason may be due to the increased supply of university graduates to the labour market relative to unskilled labour in recent years. For example, in Nigeria, the output of graduates from Nigerian universities meant for the labour market for the year 1978-79 was over twenty-two thousand.<sup>41</sup>

What broad conclusion can we draw then from the foregoing discussions of Nigerian wage structure? An examination of the various wage differentials in the country suggest that large income differentials still exist in spite of government efforts in recent years. Secondly, it is argued that collective bargaining process is the only mechanism of wage determination capable of creating more acceptable wage differential levels in Nigeria. This is because it is the only mechanism of wage determination which employs sophisticated management techniques such as 'job evaluation' which creates equity in an organisation's wage structure. Furthermore, on the basis of the available data presented in our discussion, it is argued that, part of

'natural history of wage structure hypothesis which postulates that differentials are wide in early stages of development and that as development proceeds with the supply of skills, relative awards to skilled and unskilled labour would be compressed, does not seem to hold a firm ground in Nigeria. Our argument being that even though the pace of industrialisation has increased in the last decade, with relative increase in the supply of skilled manpower (because of massive educational and training facilities) there still exist large differentials between the incomes of the skilled and unskilled manpower as shown in table 11.5. In any case, natural history hypothesis might have some relevance when discussing the Nigerian wage differentials (skill differentials) in the year two thousand' but at present there is no strong evidence to suggest that it can be offered as a suitable explanation for the large wage differentials in Nigeria today. Hence our argument that collective bargaining is the necessary mechanism of wage determination capable of providing a more acceptable level of wage differentials in Nigeria and indeed in the developing countries.

### 1.3 SIGNIFICANCE OF THE STUDY

The literature relevant to this area of investigation is scarce in respect of Nigeria. The few major published studies that have been carried out concentrated on the Nigerian Trade Union movement's structure, historical development, politics and ideology, and hence treated the issue of wage determination superficially. These studies, four in number include those carried out by:

- YESUFU, An introduction to Industrial Relations in Nigeria:  
 KILBY, Industrilization in an Open Economy;  
 COHEN, Labour and Politics in Nigeria; 1947-1974; and  
 FASHOYIN, Industrial Relations in Nigeria - Development and Practice.

The first study is concerned with the industrial relations system in Nigeria. Yesufu believes that by creating a strong social relationship between workers, management and the government, the pace of economic development would be accelerated. The second study discussed the economic progress of Nigeria in the light of her drive for rapid industrialization. The study attempts also to examine the various methods of wage setting in Nigeria and the underlying forces. It notes that the Anglo-Saxon model of wage setting (voluntary collective bargaining along the British model) is not suited to Nigeria; that an alternative system which would embrace the government, employers and unions is what is needed. These studies fail to cover the issue



of wage determination in depth. Cohen's study is concerned with the labour and political issues in Nigeria. The trade union movement - development, structure and activities before and after the civil war, the only chapter on wage settlement looks mainly at collective bargaining. Fashoyin, like the other writers concentrates on the Nigeria industrial relations system - unions and employers and government. The only section on wage determination deals more on collective bargaining, discussions on other mechanisms such as wage tribunal/commission are highly theoretical.

This study is one of the first of its kind to identify the issue of wage determination in Nigeria as a 'Central issue' that require something more than a peripheral treatment. Not only did the study examine the traditional wage setting mechanisms in Nigeria - the wage tribunals and the collective bargaining process in detail, but goes further to discuss other forms or mechanisms such as wage determination through the National minimum wage, and an attempt at the prices and incomes policies which previous studies have never considered. In addition, this study is more empirically based than the theoretical abstractions which characterised the few previous studies.

More importantly, given the scarcity of literature in this area of study, this study is an attempt to make a modest contribution towards filling the 'gap'. The study, it is hoped would also stimulate further studies particularly in respect of union behaviour and wage determination process.

In summary, the relevance of the study lies in the belief that 'industrial harmony' is crucial to a country's social and economic progress, more so, to a developing country like Nigeria pursuing a number of economic development programmes.

#### 1.4 THE HYPOTHESES

The general hypothesis which has been developed for this study is that 'In Nigeria industries or companies using the collective bargaining process for the determination of their workers' remuneration have a lower strike incidence, lower labour turnover, lower absenteeism rate and enjoy higher productivity'. This hypothesis is used to generate other sub-hypotheses such as that:

- a. Workers under collective bargaining industries derive more job satisfaction from their jobs
- b. Labour-management relationships are more cordial in industries or companies under collective bargaining arrangements.
- c. Union density and worker participation in decision-making are higher in industries under collective bargaining.
- d. Middle managers in the companies or industries under collective bargaining arrangements have a greater sense of belonging, achievement and self-actualisation.

In general terms, a worker expresses satisfaction in his job when he knows that he is being rewarded according to his effort - that is, in terms, of pay, opportunities for promotion and other fringe benefits that accompany such a job.

In an industry where labour and management develop mutual understanding, appreciate each others position, apply lots of restraint and adopt the principle of 'give and take' when taking decisions on issues in the contract of employment, the relationship that exist is usually a cordial one.

Workers would always like to join organisations that represent and fight for their interest in an industry. In such industries workers are usually given the chance to take part in the decisions that affect their working lives. Where middle managers are given challenging responsibilities, make decisions on their own in some situations, adequately rewarded according to their efforts they would have sense of self-fulfillment. Moreover, where the principle of "management by objectives" is practised - which considers the problem of individual managers as well as the overall company objectives, a feeling of achievement and self-actualisation would prevail among the managers.

Undoubtedly, the foregoing factors are necessary for evolving industrial peace which is crucial to achieving set company objectives and even for a nation's development goals. For a country like Nigeria engaged in a number of economic and social development programmes, the maintenance of such an industrial harmony becomes even more crucial.

Collective bargaining, therefore, is the mechanism of wage determination that can provide those factors which create a basis for industrial peace. For example, a worker who accepts that he is receiving "a fair day's pay for a fair day's work" would have no cause to foment trouble. And it is only collective bargaining process which applied sophisticated techniques such as 'job evaluation' to determine the worth of relative jobs before rewarding them, that can provide 'a fair day's pay for a fair day's job', hence the hypotheses.

FOOTNOTES FOR CHAPTER ONE

1. For example - see Areoye, O and Adenkunle O 'A Text Book of Government For West Africa: Ibadan: MacMillan Press Ltd., 1971, pp. 120-124.
2. World Bank - Nigeria: Options for long term development Baltimore: London, John Hopkins Ltd., 1974, p.11.
3. Central Bank of Nigeria, Lagos - Developments in the Nigerian Economy During the First Half of 1980, p.9.
4. 'Budget Speech 1979': Federal Ministry of Information, Printing Division, Broad Street, Lagos, 1979.
5. Diejomaoh, V.P. Focus on Nigerian Economy, an article in the Guardian, August 11 1980.
6. Central Bank of Nigeria - Economic and Financial Review Volume 17, No.1, 1979.
7. Adebo Wages and Salaries Review Commission was set up in 1970, and its first and 2nd reports published in 1971. The Udoji Commission was set up in 1974, its report was published in 1975 - see for both cases - Federal Ministry of Information, Printing Division Lagos: 1971, & 1974.
8. World Bank Report - 'Nigeria' Options for Long Term Development, Baltimore: London: John Hopkins University Press, 1974, p.36.
9. Diejomaoh, V.P. 'Focus on Nigeria Economy' article in the Guardian August 11 1980.
10. The 14.35 percent rate above was based on the following available statistics: In 1971-72 the inflation rate was 12.6%, in 73-73 it was 4.2%, in 1974 - 9%, 1975 - 34%, 1976 - 24%, 1977 - 15% and in 1978 - 16%. See the Federal Republic of Nigeria, Third National Development Plan 1975-80, Volume I p.16. Also see the First Report of the Anti-inflation Task Force, Lagos: October 1975, p.13.
11. Annual Abstract of Statistics 1981 Edition Federal Office of Statistics Lagos, Table 13.7, p.151.
12. Guidelines for the Fourth National Development Plan 1981-85, Federal Ministry of National Planning, Lagos, 1981, p.19.
13. International Labour Office report on Nigeria - Meeting the Basic Needs of the People of Nigeria - ILO 1981, p.231.

14. Berg, E.J. The Development of Labour Force in Sub-Saharan Africa; Studies in Labour and Industrialisation: 1965, No.35, p.400.
15. Department of Labour (now Ministry of Labour and Productivity) Annual Reports 1949-50 Table xiii.
16. The 1974 Labour Force Sample Survey was not as comprehensive as the 1966-67 survey, hence the continuing references by government sources to the 1966-67 national survey.
17. 'Nigeria's Economy Spot Lighted' Africa Now, May 1981, (How Rich is Nigeria) p.64.
18. Sada P O and Fapohunda O J et al 'Population Employment and Living Condition in Lagos' Human Resources Research Unit, University of Lagos, Lagos, 1978, p.102 monograph.
19. International Labour Office - Employment Incomes and Equility in Kenya, Geneva, ILO 1972.
20. Robertson D J The Economics of wages: London: Macmillan Press Ltd., 1961, p.63.
21. Nwabueze, R O Trends in the Structure of relative wages in Nigeria - an article in the Indian Journal of Economics October 1979, vol. ix, No.237, p.167.
22. Iwuji, E C Wage Structure in Developing Countries, a paper presented to the Fourth World Congress on International Industrial Relations in 1976, p.3.
23. Reynold, L G Labour Economics and Labour Relations Prentice Hall Int. Englewood, 1978, p.293
24. Reynolds - Objectives of wage policy in developing countries, a paper submitted during the proceedings of the International Institute for Labour Studies Symposium, in 1967, cited in Smith's Wage Policy issues in Economic development, Macmillan 1969.
25. Smith, A D - Wage policy issues in economic development (Professor Berg, E., in Wage Structures in Less Developed Countries), Macmillan, London, 1969, p.300.
26. Norman D W - An economic survey of three villages in Zaria Province Samaru - paper 38, 1972. Also see P J Malton - Income distribution among farmers in Northern Nigeria: An empirical result and policy implication, African rural economy, Paper No.18, Michigan, 1979. See also Lakosi, J O - the distribution of personal incomes among African farmers - a two period analysis, Ph.D dissertation, Michigan State University, 1979.

27. Reynold L G Labour Economics and Labour Relations, Prentice-Hall International, London, 1978, p.254
28. Emalangeni - is the official currency of Swaziland just as the pound sterling is in the UK. The exchange rate = 1.7105 to £1 (sterling)
29. Department of Employment Earnings Survey 1980, (Average gross weekly earnings - Post Office Dept) Table 166.
30. US Bureau of Labour Statistics Special Labour Report No 143, 1971, See also Reynolds L G - Labour Economics and Labour Relations (7th Edition) Prentice-Hall International, 1978, p.254, Table 1 & 2.
31. Nove A 'Wages in the Soviet Union; a comment on recently published statistics in British Journal of Industrial Relations, July 1966, p.215.
32. The National Manpower Board, Labour force sample survey 1966/67, pp.45-55, Federal Ministry of Information Lagos.
33. Damachi U G et al Social Change/Economic Development, New York, London, Macmillan Press Limited, 1973.
34. Adeyomo and Manbudiri - Review of the Udoji Commission, Daily Times Lagos, January 11, 1975, pp.7-11. Also see Nwabueze R O Relative wages in Nigeria (Indian Journal of Economics, 1979, Table vii, p.180.
35. Public Service Review Commission : Report on Grading and pay 1972-74; vol iv, Federal Ministry of Information, Lagos, September 1974, p.20.
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37. ibid, p.307.
38. Nwabueze R O Trends in the Structure of Relative Wage in Nigeria (1960-1974) Indian Journal of Economics, October 1979, p.168.
39. Ghana Economic Bulletin, July 1975
40. Report of the ILO/Danida African Regional Wages seminar November 1974, p.2
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CHAPTER TWOTHE TRADE UNION MOVEMENT OF NIGERIA2.5 THE DEVELOPMENT/GENERAL HISTORICAL BACKGROUND

This chapter is mainly concerned with the historical development of the Nigerian trade union movement. Although it has been argued that modern trade unionism in Nigeria preceded the passing of the trade union ordinance in 1938<sup>1</sup> by over 20 years, trade unionism in a real sense with union objectives did not emerge until the enactment of the 1938 'ordinance'. Trade unions before 1938 were little more than petition writing bodies, clubs or professional associations, with less clear trade union objectives. Moreover, the history of the early unions was dominated by the history of the civil service union, the Nigerian Union of Teachers and the Railway Workers Union. Knowledge of the trade union historical setting is essential because, if collective bargaining is to be seriously considered in Nigeria as a major method of wage determination, it needs to be shown that there is already a tradition of collective bargaining and trade union organisation among workers in Nigeria.

In this chapter we intend to look at this historical development aspect more closely, particularly trade unionism before the 1938 trade unions 'ordinance', and its impact on trade union activities thereafter.

Although the organisation of modern trade unionism began very late in Nigeria, the organisation of people into viable craft and other related primary trades was not of recent origin. Organisation of Blacksmiths, Carvers, Hunters and Weavers have been in existence

for long though they lacked that organisational capacity and were closely guided by the forces of culture and traditions. Dominated by these cultural and traditional values their main functions were, first to organise and draw out contingency plans to counter possible 'unforeseen' circumstances that might befall their members. A second function was to regulate trade practices among the members.

The apprentices were composed mainly of the relatives of the instructors, including cousins, sons, sons-in-law and other blood relations. This 'family background' made it impossible for money wage demands and calls for improved working conditions to be made. As a consequence, there were no formal contracts of employment entered into. An example of such early organization was the Mechanics' Mutual Aid Provident and Mutual Improvement Association formed in July 1883. Summing up his study of these type of associations in Yoruba Towns, Peter Lloyd concluded that their function 'was, and still is, to settle disputes, to regulate the relationship between producers, to fix prices, and to organise the payment of tribute to the king. The structure of the organisation was the lineage structure, the lineage meeting was the craft meeting; the craft head was the compound head, the oldest man in the lineage. The labour group was small, consisting of father and son'.<sup>2</sup> This suggests that trade unionism as thought of today did not emerge until the establishment of permanent body of wage earners in Nigeria.

The first trade union to be formed in Nigeria with some of the features of a modern trade union was the

'Southern Nigerian Civil Service Union' inaugurated on Monday August 19th 1912, and was later renamed the 'Nigerian Civil Service Union', after the amalgamation of the Northern and Southern Protectorates of Nigeria in 1914. Credit for the initiation and the subsequent formation of this maiden union goes to a Sierra Leone civil servant called Henry Libert, who was transferred from the Sierra Leone civil service to the Nigerian civil service apparently for the purpose of establishing a 'league' of civil service officials between the two British colonies. It is noteworthy that this early union was not formed by a group of workers who were dissatisfied with their pay and other conditions of employment, as would be the motive behind trade union actions today. The union was formed rather by aristocratic civil servants with less enthusiasm for trade union activities. Commenting on this point Yesufu notes

"It is of importance to note that the union was thus not formed by group of disaffected workers who wanted a platform for which to fight for amelioration of grievances or for the improvement of specific conditions of employment".<sup>3</sup>

What's more, some documentary evidence suggests that the "minutes" of meeting kept by this union indicates that the union members including their chief organiser, Henry Libert, had no clear idea of what trade unionism was all about.<sup>4</sup> What was clear to them however, was that it was necessary to maintain such a union in Nigeria

since such a union was already existing elsewhere in the colonies, for example in the Sierra Leone. This 'role ambiguity' among the members of this union continued until the 15th of November 1912, when after their 5th meeting they emerged with a 'piecemeal' objective, which they stated as "To promote the welfare and interests of native members of the civil service".<sup>5</sup>

Furthermore, membership of the 'union' was exclusive to those African civil servants in the 'upper segment' of the civil service hierarchy (first class clerks) which only a small proportion of Africans were able to attain. This sort of 'exclusive unionism' meant that the union had few members. For instance, it was recorded that the union had its highest attendance of 96 persons, for the first time in 12 months on 26th August 1912 when the railway staff representatives attended the meeting. Thereafter, attendancies fluctuated between 20 and 30 members.

Moreover, the unions' abhorance of strikes and related union weapons, and its over-reliance on 'public lectures and addresses' as a means of achieving its objectives, further reinforces the lack of understanding of aim and purposes of trade unionism by the civil service union.

However, the year 1931 saw the development of more trade unions with clearer union aims. Most notable among them were the Railway Workers Union and the Nigerian Union of Teachers. Prior to 1931, the Railway Workers were catered for by the Nigerian civil service union discussed above; however, during the economic depression

of the 1930s they broke away to form the Railway Workers Union'. The workers claiming that they (the civil service union) could no longer serve their interests. The new Railway Workers Union was headed by Michael Imoudu.

The Nigerian Union of Teachers similarly emerged as a result of dissatisfaction with the services provided by the parent union which apparently was diminishing rapidly compared with the early years of the century. The union (NUT) was formed by the amalgamation of the local associations which had existed since 1920.

Outlining the main reasons for the formation of the NUT in July 1931, the General Secretary Mr. E.C. Esua pointed out that the reasons were:

- a. The unsatisfactory conditions of service of the teachers.
- b. No pensions and gratuities at the time.
- c. Insecurity of teachers tenure.
- d. Teachers wanted to have an effective say in the planning of education and of the school curricula in Nigeria.
- e. to see that the teaching profession in Nigeria regained its dignity and prestige; and
- f. to raise the educational and professional standards of the teachers in Nigeria".<sup>6</sup>

Being guided by the same type of intellectualism and aristocratic principles which dominated the Nigerian civil service union, the NUT abhorred the use of the strike weapon; and hence could not see any need to register under

the trade union ordinance of 1938 which conferred unions with the right to negotiate with their employers.

The trade union ordinance of 1938 provided the right both to organize unions, and to enter into collective bargaining with the employers providing the unions were registered. Unions that failed to register under the ordinance (see Chapter 2.7) - were deemed ineligible to enter into collective bargaining with their employers. Since the NUT was being organised along the same principles which guided the Nigeria civil service it did not register until December 24th 1941. While the Nigerian civil service registered on March 7th 1949, after the Tudor Davis Commission had spelt out the consequences for failing to register three years earlier. The commission pointed out:

"Its failure to register was an anomaly and a disregard of the ordinance by the trade union and by the registrar".<sup>7</sup>

Unlike the NUT and the Civil Service Unions, the Railway Workers Union was the first trade union to be registered under the union ordinance on January 17th 1940. In addition, the Railway Workers Union was more 'purposeful' in terms of 'union activities' than both the NUT and Civil Service Union, for it was able to organise effective protests against its employers during the period.

The year 1938, witnessed the development of modern trade unionism in Nigeria following the trade union ordinance enacted by the British Colonial Government. The passing of the 'ordinance' which came into effect in April 1939, was accompanied by an unprecedented level of organisational activity among the workers throughout Nigeria. Workers who were hitherto not interested in union activities started to form into trade unions for collective bargaining purposes.

However, apart from the contribution made by the 'ordinance', there were other major inducements for the rapid development of trade unions in Nigeria. First, there was economic depression occasioned by the Second World War (1939-1945) which among other things forced the price of goods to rise, particularly in the urban centres, creating greater 'awareness' among the small proportion of workers in wage employment. The wave of industrial unrest which 'ensued' culminated in a general strike in 1945. The successful execution of the strike which lasted 44 days (in Lagos) led to the rapid spread of trade union activity and militancy. Thereafter, workers, particularly railway workers, started agitating from time to time for increases in 'Cost of Living Allowance' known then as 'the war bonus' to offset price increases.<sup>8</sup>

The second factor for the expansion of trade unionism, was the repressive nature of the "government order - the general defence regulation of 1942<sup>9</sup> - which prohibited strikes and lockouts during the period and was seen by the workers as a premediated attempt by the colonial government to undermine the very existence of their newly found organisation. Hence, the unions presented stiff opposition to the provisions of the order. This resistance coupled with the timely assistance by the nationalist movements led to the formation of the first central labour organisation, - the Trade Union Congress of Nigeria(TUCN). The congress demanded a number of things from the government; an increase in employment through intensified industrialisation; nationalisation of all public utilities; and secondly, the establishment of a Labour Party."<sup>10</sup> Also the activities of the nationalist leaders during the period who were bent on getting rid of what they (the nationalists) described as 'colonial tutelar leadership' in the colony, aided the rise in unionism enormously.

The foregoing major inducements notwithstanding, the 'bulk of the credit' goes to the 1938 ordinance for legalizing trade union activities which hitherto were potentially unlawful.

As Yesufu pointed out:

"In the absence of such a law Nigeria trade unions would have had to contend with all the complications of the English common law; --- one cannot escape the conclusion therefore, that without the trade union's ordinance the development of workers organisations could have been delayed until at least after the war\*.<sup>11</sup>



A further consequence of the '1938 Ordinance' was the sudden upsurge in the growth of union numbers and membership during the period.

The changes that occurred in the trade union numbers and membership immediately after the implementation of the ordinance are reflected in Table 16 (see Chapter 5.).

By the end of December 1940, 14 trade unions representing 4629 workers had been registered. And by December 1941, the number of registered unions had increased to 41 with a total membership of 17,521 workers.

It can be concluded that trade unions in the actual sense of trade unionism - that is with clear trade union objectives started in Nigeria after the trade union ordinance of 1938 had been passed.

## 2.6 THE CENTRAL LABOUR ORGANISATION (1942-75)

In the preceding sub-section we examined the early development of the Nigerian trade union movement.

Modern trade unionism in Nigeria started in earnest after the enactment of the trade union ordinance in 1938, which conferred to the unions the right to organise and bargain collectively. It was found also that prior to the ordinance that the early trade unions were

little more than petition writing bodies, or clubs, with less defined trade union objectives. This section examines the historical development of the Central Labour Organisation. This includes the various attempts made at establishing a single central organisation, problems encountered and the present state of affairs. The examination (of the central labour organisation) is essential because, a central labour organisation even if not one which was to prove permanent is an indication of growing "maturity" of Nigerian trade union movement.

The COLA (Cost of Living Allowance) agitation of 1941<sup>12</sup> taught the trade union leaders two important lessons. Firstly, it amply demonstrated to them the importance of 'organised labour', as opposed to unorganised or amorphous labour. Secondly, and perhaps more important, it underscored the need for a 'central labour organisation' for the unification of all sections of the labour force in the country. For although the ACTWS, the Civil Service Union and the Nigerian Union of Railwaymen represented a good proportion of workers; their role was limited by the fact that only the federal service employees were catered for.<sup>13</sup> The bulk of the local government and state-owned employees were not represented. Hence, the need to form a central labour organisation that would 'represent' all the sections of organised labour motivated a meeting in Lagos in November 1942 of trade union representatives. This maiden meeting saw the inauguration of the Federated Trades Union of Nigeria (FTU) with the overall objective of forming a Trade Union Congress (TUC).

In April 1943, as part of the TUC formation campaign, the FTU published the first issue of its official magazine called the 'Nigerian Worker' with a very captivating

editorial captioned 'we must unite". After months of intense negotiations, on July 1943 through a conference organised by the organisation a resolution changing the name of the FTU to TUCN (Trade Union Congress of Nigeria) was adopted. Without hesitation the congress outlined its aim and objectives in its constitution, part of which was

- a. "To unite all trade unions into one organised body,
- b. to further by all reasonable means the aims and object of its member unions
- c. to secure the improvement of the general working conditions, and to promote the material, social and educational welfare of its workers by such lawful means as the general council may from time to time deem expedient
- d. to foster cooperation among its member unions and the spirit of mutual regard among the individual workers.
- e. to assist in the proper organisation of all trade unions
- f. to protect the legal status and rights of trade union organisations
- g. to press for the nationalization of mining and timber industries, township transport and other important public services
- h. to establish a Nigerian Labour College
- i. to provide scholarships for trade union officials to study abroad".

The conference adopted other resolutions one of which called for October 6 to 12 1943, to be declared a workers' days of action. The idea being that the days set aside would allow union leaders to undertake house to house collection of funds with which to build workers secretariat. The conference elected the following officers to serve the new congress: T.A. Bankole, President, Chief A. Sayemi Coker Vice-president, M.A. Tokunboh, Secretary-general; I.S.M.O. Shonekan, Kofi Austin and F.O. Ogunbajo as Under-secretaries; P.S. Taiwo, treasurer, and Obafemi Awolowo, Secretary/ editor of their magazine 'The Nigerian Worker.'

The relationship that followed between the congress and the government was very cordial. The government, in addition to according the TUCN its official recognition, organised the department of labour in such a way that enabled the congress to work with the department very harmoniously. Indeed, in its annual report for 1943 the Department of Labour noted:

"The TUCN has rendered considerable assistance to the Department of Labour in settlement of disputes and the general application of labour standards".<sup>15</sup>

The congress was such an ambitious organisation, to the extent that at its first session as a trade union movement it decided to undertake a total re-organisation of the labour movement on an 'industrial basis', and to encourage the amalgamation of smaller unions. To this end, it set up a committee in the same year to oversee the plan.

Barely six years after its formation, the Trade Union Congress of Nigeria (TUCN), split in 1949 because of bitter rivalry amongst trade union leaders, coupled with their divergent views over the handling of the 1945 general strike. It was gathered, that during the general strike some union leaders were totally opposed to it, viewing it as an unnecessary and illegal venture because of the government's war time emergency regulations which prohibited such industrial actions. While on the other hand, some union leaders gave their unequivocal support for the strike action, hence the differences in their views and the subsequent split. As a result of the split a new organisation emerged the Nigerian National Federation of Labour (NNFL) in March 1949. Because of the confused situation, the TUCN lost greater proportion of the affiliated union members to the new faction NNFL; while other members elected to remain neutral. Throughout 1949 frantic efforts were made by various union leaders to reconcile the TUCN and the NNFL but to no avail.

It was not until 1950, when fresh attempts were being made to form a new coal miners' union following the Enugu Mining Crisis of the previous year, that the two factions, now joined by another union - the Federation of Government and Municipal Non-clerical workers union combined to form a new body called the Nigeria Labour Congress (NLC). However, in 1951 a year after its

inauguration the NLC fell into disrepute, and lost prestige and influence,<sup>16</sup> and was consequently dissolved. Once more the search for a united central labour organisation resumed. Several efforts were made between 1951-1952, either to resuscitate earlier federations or to form an all-embracing national federation of unions, but without success.

In 1953, however, after those abortive efforts to salvage the ruins of TUC, a conference of 29 trade unions meeting in Lagos passed a motion for a new organisation to be formed - the All Nigerian Trade Union Federation (ANTUF). Ironically, the objectives and policies of the new Labour Organisation were quite similar to those of the defunct trade union congress; the only major difference being that the ANTUF had aimed to establish its own political party labour (party) with a view to create a 'socialist government'.<sup>17</sup> In spite of the general instability within the labour movement during the period, the ANTUF remained the undisputed central labour organisation until 1956. In fact by 1955, as many as 39 trade unions with a membership of 95,000 had affiliated with it.

However, such an overwhelming support was to be shortlived, for after a few years later the ANTUF disintegrated into various factions. This time, it was not as a result of "local politics" though it was partly to be blamed; but the case of deciding which international organisations to affiliate with. The choice being between the International Confederation of Free Trade Unions (ICFTU) and

the World Confederation of Trade Unions (WCTU). Certain trade union leaders resented the federation's decision not to affiliate with the western backed ICFTU; and accused the "federation of having communist tendencies and other leaders of being communist inspired".<sup>18</sup> Communism has had no popular support in Nigeria, and was generally understood by the ordinary man in the street as a godless ideology, designed to subvert and destroy Nigerian way of life, hence the stiff opposition by the other federation leaders. Because of this strong disagreement some militant leaders decided to form a new body on April 17th 1957 to compete with the ANTUF, the new organisation was called 'the National Council of Trade Unions of Nigeria (NCTUN)'.

The rivalry between the ANTUF and the NCTUN continued till late 1958 when a group of union leaders founded the 'National Labour Peace Committee' charged with the overall responsibility of uniting the labour movement. After months of protracted closed door deliberations; and following meetings held at both Ibadan and Lagos respectively, on January 21st 1959 a joint statement was issued confirming that a merger had been agreed. The statement went on -

"That following this agreement, a joint merger conference of the two organisations ANTUF and the NCTUN should be held at Enugu on March 7 and 8 1959; Section IV of the "unity document" as it was known then pointed out: 1. that while recognising the right of individuals to believe in any brand of political ideology, cognisance was nevertheless taken of

the events which had led to disunity in the past, and it was therefore agreed that in the interest of permanent unity, communism, fascism, and national political partisanship should not be projected in the Nigerian labour movement".<sup>16</sup>

The net result of the merger conference which was held at the Day Spring Hotel Enugu on March 7th 1959 was the inauguration of a new organisation - Trade Union Congress of Nigeria (TUCN) for the second time. H.P. Adebola, a veteran trade union leader was appointed as its president.

The instability in the central labour organisation continued even after political independence in 1960. For no sooner had the 'Enugu Peace Pack' which brought the merger between the ANTUF and the NCTUN lasted one year than it split into two factions. One faction (led by Adebola, a renowned trade union leader) retained the original policies of the defunct, TUCN, while the other faction formed a new movement called (NTUC) with the most militant trade union leader ever known as its leader - Michael Imodu. With this further split within the central organisation competition among the various union leaders became more intense, probably in an effort to win government support which was very vital for the survival of any organisation during the period.



However, it is worthy to note that all along government's approach to trade union matters particularly the Central Labour Organisation had generally been one of 'abstension'. Any government involvement was mainly advisory. While the occasional encroachments were mainly designed to inspire the unions into forming a single, viable central labour union. But as it was becoming increasingly clear that the 'unions' left on their own could not achieve this desired objective - unity within the central labour organisation - the government started to shift from its abstentionist approach to an interventionist policy in labour matters. And hence it vowed to ensure that a sensible, virile central labour organisation had to be found. To reinforce this commitment the government arranged a National Conference in 1961 with the theme "The role of Nigeria in African Affairs".<sup>20</sup>

During the conference it was made clear by the Ministry of Labour officials that the Nigerian Labour Movement could play a vital role in African Labour Affairs provided it solved its organisational problems. Following this conference, a 'high-powered' peace committee was set up with by now the much familiar terms of reference - 'to reconcile TUCN and the NTUC with a view to merging the two factions 'into a single labour organisation.'

The committee was chaired by the speaker of the Federal House of Representative then Alhaji Jale Wasiri. Once more, after intense negotiations both bodies (TUCN and NTUC) accepted the peace formula and agreed that

"there should be only one central labour organisation for the Nigerian trade unions to be called the United Labour Congress (ULC)."

21

The events that followed soon afterwards between the warring factions that forged the 'merger' adequately demonstrated that the fragile 'peace package' was a mere cosmetic exercise. For no sooner had the United Labour Congress been inaugurated on 3rd May 1962, than the factions started regrouping into their former blocks, under different new names. Adebola's TUCN became the United Labour Congress of Nigeria (ULCN); while Michael Imodu's NTUC was renamed the 'Independent United Labour Congress of Nigeria (IULC). In the same year, following a conference organised by the (PAWC) Pan-African Workers Congress to show its solidarity to the ICFTU African Zone, another labour union emerged called the Nigerian Workers Council (NWC).

In 1963, a meeting organised by the Nigerian Union of Teachers and Civil Service Union - the best organised Unions in the country - produced a 'peace committee' which was later to become yet another labour federation - the Labour Unity Front (LUF), bringing the total number of Central Labour Organisations to four. After ten years in (1973), another effort was made to bring the warring factions together again into one central labour organisation. Hence, the NTUC, LUF, NWC and a faction of the ULC combined to form the Nigerian Trade Union Federation (NTUF),

an organisation which according to Tayo Fashoyin never got off the ground in practice".<sup>22</sup> The government refused to recognise the (NTUF) because of its past experiences with the Central Labour Organisations which was now characterized by merger today, poliferation tomorrow'.

In 1974, during the burial of one of the veteran trade union leaders in the country J.O. Oduleye, at Apena cementary, the leaders of the four main central organisations - LUF, ULC, NTUC and NWC-jointly declared the Apena Unity Declaration - in an emotional speech, which signalled another merger. The leaders pledged to bury their differences to form one central labour organisation. The merger culminated in the formation of the NLC (Nigerian Labour Congress) a year later on 19th December 1975. Table 12 summarises the pre-independence central labour organisations. The table does show that between 1942 and 1960 attempts at the formation of one single central labour union resulted instead at the formation of seven central labour organisations by the Nigerian Trade Union leaders. While table 13 portrays the post-independence experiences.

The above chronological developments do show indeed that the various attempts by trade union leaders to bring about labour unity' tended to be sporadic and adhoc; most of the ad hoc committees being consequences of an industrial or political development such as wages and salary issues. For example, the establishment of the (JAC) Joint

Table 12. Central Labour Organisation 1942-1960  
Pre-independence

Name	Period Operated
1. Trade Union Congress of Nigeria (TUCN)	1942-1949
2. Nigerian National Federation of Labour (NNFL)	
3. Nigeria Labour Congress (NLC)	1950-51
4. All Nigerian Trade Union Federation (ANTUF)	1953-56
5. National Council of Trade Union of Nigeria (NCTUN)	1957
6a. Trade Union Congress of Nigeria (TUCN)	1959
6b. (Later United Labour Congress of Nigeria (ULCN)	1959-60

- Sources:
1. Federal Ministry of Labour, annual reports various years. Published by the Ministry of Information Primary Division Lagos.
  2. Tayo Fashoyim - Industrial Relations in Nigeria (Development and Practice) Table 3.2. Longman London, 1980.

Action Committees) of the Nigeria trade unions to be the 'mouth piece' for the labour movement during the Morgan 1963-64, Adebo 1970-71, and to Udoji 1974-75 wages and salaries review commissions respectively bear a clear testimony to the ad hoc nature of these joint committees. Fashoyin underscores this point:

"In these circumstances, they (the unions) quickly realised that going to the highly informed wage commissions without well-organised and sensible claims for wage increases could be fatal, hence they resorted to combining into a single entity, however deceptive or temporary these may have been". 23

As far as the Federal Military Government was concerned the formation of the NLC (Nigerian Labour Congress) was nothing more than a 'calculated exercise' by trade union leaders to woo the government into believing that the unions were also committed to finding a single, united central labour organisation. After all, successive governments have witnessed series of such mergers, amalgamations and take overs, for the past twenty years without a positive outcome. In their view the government was neither impressed nor convinced with the new organisation's statements on its policy objectives or goals within the framework of industrial relations. The following statement by the then federal commissioner for labour Major-General Henry Adefope on 18th December 1975 summarized why the government was so sceptical:

Table 13. Major (Post-Independence) Central Labour Organisations, 1960-1975

Name of Union:	Period operated
1a. Nigeria Trade Union Congress (NTUC)	1960-1973
b. Later Independent United Labour, (IULC)	1962
c. Subsequently reverted to NTUC)	1963-1975
2. United Labour Congress (ULC)	1962-1975
3. Nigerian Workers Council (NWC)	1962-1975
4. Labour Unity Front (LUF)	1963-1975
5. Nigerian Trade Union Federation+ (NTUF) formed by the NTUC, LUF & NWC)	1973
6. Nigeria Labour Congress (NLC)*	1975

Sources:

1. Ministry of Labour Annual report various years.

Explanatory Notes

+Not recognised by the Government

\*Initially not recognised by the Federal Military Government but later was reprived.

"Like its predecessors the congress failed to meet the expectations and aspirations of the Nigerian workers as evidenced by the many portests denouncing both its constitution and the undemocratic process by which its numerous officers were appointed" 24.

As a further manifestation of its disapproval of the new organisation, the government refused to accord official recognition to the NLC. Successfully, today, the NLC is the only central labour organisation in the country representing forty-two industrial unions.

Furthermore, government's uncompromising attitude towards the trade unions and their leaders for their incapacity to form one viable, united central labour organisation after over 30 years reached its climax in 1976. In that year, the Federal Military Government abolished all the four central labour organisations in the country - thus the NTUC, ULC, LUF and the NWC which formed the NLC; and appointed an administrator of trade unions - Mr Adebisi. The administrator was charged with the following responsibilities:

- a. For performing on behalf of trade unions the same duties as are normally performed by a central labour organisation including -
  - i. representing the general interests of trade unions on any advisory body set up by the Federal Military Government;

The administrator was also charged with the responsibility of finding a means of forming a central labour organisation, in the following words of section 3(b) for taking all steps necessary to effect the formation of a single central labour organisation to which shall be affiliated all trade unions in Nigeria'.<sup>25</sup> The Decree which saw both the demise and the appointment of a trade union administrator in Nigeria and other necessary details is reflected on appendix c.

After the streamlining of the union structure in 1978, as requested by the Federal government, the number of trade unions was reduced to 42 industrial unions and the NLC emerged as the only central labour organisation to date. The NLC has been fully recognised and even sponsored by the Federal government. An example of such sponsorship was in 1979/80, when the sum of 2.5 million Naira was granted to the Nigeria Labour Congress by the Federal government for the building of its secretariat complex in Surulere, Lagos. It is worthy of note, that since 1980 the NLC (the equivalent of the TUC in the UK) with its moderate and at times very militant leader Alhaji Sumonu is turning out to be the 'ideal-type' central labour organisation which the Nigerian workers has been longing for.

The achievements of the NLC since it received its final seal of approval from the Federal government in 1978, have been remarkable. For example, the NLC has been able to influence the Federal government to increase workers 'minimum wage' from N60.00 Naira a month to an all time increase of N125.00 Naira per month. Even so,



up till last year 1980, Sumonu the President, and his officials were pressing for a minimum wage of ₦300.00 (three hundred Naira) for workers all over the country. Secondly, it has been able to induce the government to restore car basic allowances for workers on certain grades which was hitherto abolished.

These remarkable achievements recorded by the Nigerian Labour Congress do not suggest that all is well with the Central Labour Organisation in terms of total unity and organisation. There are still pockets of divisions within the organisation's hierarchy. Last year 1981, the NLC's declared day of action on April 13th was nearly ruined by leadership squabbling. However, it is too early to speculate what the next five to ten years hold in stock for the only surviving Central Labour Organisation since 1942. But at this very moment it is reckoned that with a bit of courage and honest within the leadership and goodwill from its million supporters it might go down in the annals of the labour movement as the longest surviving Central Labour Organisation in Nigeria.

In sum, it is argued that although the trade union concept was a foreign import in Nigeria and had to be encouraged by law, there has been a significant trade union presence since the 1930's, i.e. for half a century. The history of attempts to form a central labour organisation helps to explain why Nigerian trade unions have over the years been 'distracted' by organisational and political problems from developing collective bargaining process. Additionally, the chronicle of the Nigerian labour movement helps to demonstrate that collective bargaining is an essential foundation for a trade union movement; and is more likely to be encouraged by developments in government attitudes.

## 2.7 The legal framework of the Nigerian Industrial Relations.

### Introduction

Unionism every where operates in environment of legal, economic and political constraints and Nigeria would not be an exception. Hence, this section attempts to examine some of the legal enactments or ordinances in Nigeria, which have shaped the Nigerian trade union movement and indeed the entire industrial relations system. Knowledge of the legal framework is an essential basis for understanding the methods of pay determination practised in Nigeria.

The Nigerian labour relations ordinances are all modelled (with the exception of military decrees) upon similar laws in Great Britain. Indeed, before the late 1930's when major ordinances were being formulated for meeting the special social and economic problems of the colonies, British Labour Laws particularly, those pertaining to master and servant doctrine were enforced in Nigeria. Because of these colonial arrangements, the 'doctrine' of 'voluntarism' became the basis of the Nigerian official labour policy in industrial relations matters as in Great Britain. However, in recent years, the Government moved from this abstention to an interventionist approach, (a move from non-legal intervention in industrial relations matters to greater reliance on its principles); mainly because the prevailing social and economic conditions no longer warranted in its view the 'principle of abstentionism'.

The need to introduce legislation to govern the organization of persons engaged in industry for the purpose of collective relations was first made by Lord Passfield - the then Secretary of State for the colonies - in his dispatch of 17th September 1930 to all colonial governors. In that despatch, he expressed the view that social and industrial progress in the colonial territories had got to the stage where the trade unions should be perceived as a "natural and legitimate development".<sup>26</sup> Hence, he suggested the passing of a simple trade union legislation which would provide the basis of such development along the lines of the United Kingdom Trade Union Act of 1871.

The request generated a lot of inter-departmental and inter-governmental debate as to the suitability or otherwise of modern trade union legislation in Nigeria. Most government officials and some European employers who were consulted in respect of the new proposal opposed it. Arguing that the wage-earning population was too small; and secondly that the tribal system of mutual assistance provided all the necessary protection which the local workers needed. Thirdly, that the country was not politically, economically and socially viable for that type of legislation which the 'civilized world' had evolved only after a considerable period of years. However, as the colonial office was determined to see the proposal through, it insisted and in 1938 the first comprehensive labour legislation was enacted - the Trade

Union Ordinance" which commenced on April 1 1939.

The new ordinance was based to a large extent upon similar legislation in the United Kingdom (as requested by Lord Passfield) although there were some modifications to reflect the country's level of social and economic development. It prescribed a minimum code of conduct in respect of the administration of trade unions, and stipulated the rights and obligations of the trade unions including the officials to their respective members and to the public. The ordinance defined a trade union (sec. 23 and 39 & 40, Vict. C22, S16) as

"any combination whether temporary or permanent, the principal purposes of which are the regulation of the relations between workers and masters or between workmen and workmen, or between masters and masters whether such combination would or would not have been enacted, have been deemed to have been an unlawful combination by reason of some one or more of its purposes, being in restraint of trade".

Included in the definition are employers associations, as well as organizations of workmen. Exceptions (S28 of 1939) from the definition 'are' members of the police force, the prisons and "all other services that bear arms".

The ordinance further stipulated that trade unions had to be registered before performing any of the traditional trade union functions. This provision contrasts sharply with the practice in the United Kingdom during the same period where a trade union was left to register or

not as it pleased, although registration with the registrar of friendly societies provided certain benefits which were not enjoyed by unregistered organizations.<sup>27</sup> The ordinance further stipulated that application for registration must be subscribed to by at least five (5) persons, and that such application should be submitted within three months after the formation of such a union. Whereby the Registrar refuses to register such a union or decided to cancel registration already effected for certain reasons, such an organization - subject to right of appeal to the High Court - should be dissolved within three months of such refusal or cancellation. In addition, that all applications for registration must first be notified in the official gazette, and that any objections for such registration should be filed within six months.

Furthermore, the ordinance specified that only persons above the age of sixteen were eligible to be members of a trade union, although a trade union has the right to exclude persons below the age of twenty-one from its membership (S13). It also specified that a 'minor' should not hold office or be appointed a treasurer or be appointed to serve as a member of the management committee of a union; but that once admitted to general membership such a person or persons were entitled to enjoy all the rights and privileges provided by the union under its rules. Additionally, the ordinance stipulated that neither a trade union nor its officials can be sued in respect of tort allegedly arising of any trade union activities pursued in 'furtherance of a

trade dispute' (sec.4. S2). In other words, the ordinance granted 'immunity' to trade unions similar to the Trade Disputes Act of 1906 in the United Kingdom - the 'golden formula'. The Ordinance made provision for peaceful picketing and prevention of intimidation (S6.35 of 1939).

Finally, the ordinance stipulated that 'agreements between members relating to conditions of work, or trade practices, the application of union funds, or payment of fines imposed on any person by a court of law, and agreement between registered trade unions cannot be enforced by legal process.'<sup>28</sup>

The next labour legislation came after three years in 1941. It was called the Trade Disputes (Arbitration and enquiry) Ordinance No.3 of 1941, designed mainly to handle disputes which were bound to arise from time to time in the labour-management relations. The full title of the ordinance read:

"An ordinance to provide for the establishment of an Arbitration Tribunal and Board of inquiry in connection with Trade Disputes, and to make provision for the settlement of such disputes, and for the purpose of inquiry into economic and industrial conditions in Nigeria":<sup>29</sup>

Under the provisions of the ordinance, the Minister of Labour 'may' cause an inquiry to be made in the circumstances of a dispute, appoint an independent chairman to assist both parties to reach an agreement, or on

the application of either employers or the workers appoint a conciliator". Also the minister 'may' with the consent of the parties to the dispute 'appoint an arbitration tribunal', but if no previous effort had been made to resolve the dispute through conciliation he 'can order that the procedure be followed". However, before consenting to intervene in any dispute the ordinance provided that the minister "must satisfy himself that all the voluntarily agreed negotiation machinery had been exhaustively used." The provision was compulsory, and was enforced until 1960.

Since a department of government had to be responsible for the enforcement and promotion of these labour laws as well as advising both sides of industry on the conduct of collective relations the Department of Labour was created on October 1st 1942. Initially, the department had four staff - the commissioner and three labour officers, but by the end of 1943, it had had 20 staff; made up of the commissioner of labour, his deputy, eight labour officers, two African assistant officers, and eight assistant labour officers - in training.

After the creation of Labour Department other 'Labour Ordinances' followed immediately. First and perhaps the most important in the series was the Labour Code Ordinance of 1945 (Cap. 91, Laws of the Federation of Nigeria and Lagos 1958). The Ordinance was aimed at providing protection for workers against serious abuses. For example, it stipulated that certain contracts should be in writing and that such contracts should be terminated in a special manner. It prohibited forced labour,

made the granting of maternity leave to female workers compulsory in certain cases. It regulated the recruitment of labour, the employment of young persons and women, apprenticeship and the manner of payment of wages.

Following the 1945 ordinance was the 'Factories Ordinance' enacted in 1955, aimed at ensuring safe conditions of work. The ordinance stipulated that machines be adequately guarded, that workshops should be kept clean and well lighted. It also specified that workers should be provided with protective clothing and equipment, that 'first aid' boxes be maintained in factories and finally that all industrial accidents should be reported to the Government Factory Inspectors.

The workmen's Compensation Ordinance 1941 (Cap.222) provided for the payment of monetary compensation to injured workmen for injuries sustained at work where such injuries result in permanent or temporary incapacity. If such injuries result in the death of the injured workmen such payments should be made to his dependents.

The next important legal steps taken by the government to improve the labour-management relations was the 'wages ordinance' in 1957. The ordinance according to Yesufu was 'intended to be something of a stop-gap in the process of development of trade unions and collective bargaining.'<sup>30</sup> The ordinance empowered the government to prescribe conditions of employment (wages, hours of work, holidays and related issues) where wages were 'unreasonably low and trade union organisation poor.



In the middle of 1968 due to mounting industrial unrests occasioned by the civil war, the government promulgated a Decree - the Trade Disputes (Emergency Provision) Decree No. 21 which severely restricted the right to strike and lockout.<sup>31</sup> The then commissioner of labour, Major-General Adefope, claimed that the purpose of the Decree was to "mobilize all resources in order to crush Ojukwu's rebellion". The Decree stipulated that within 7 days of an outbreak of 'an industrial action' such trade dispute must be officially registered with the commissioner of labour. The commissioner of labour was obliged within 14 days to appoint a conciliator or have the dispute referred to either a board of enquiry or an arbitration tribunal. During the period of arbitration the parties to the dispute were forbidden from engaging in further strikes and lockouts. When a settlement was finally reached, the ordinance specified that copies of the agreement should be made available to the Commissioner who 'is empowered' to make the settlement binding on both parties to the dispute. The Decree was enforce until 1976, when it was repealed by the Trade Dispute (Emergency Provisions) of 1976.

However, inspite of the restriction placed on the right to strike and lockout, industrial unrest remained widespread; and in order to get the situation under control another Decree with more stringent and stricter measures was promulgated on 12th December 1969 - the Trade Disputes (Emergency Provisions) Amendment Decree No. 53. The Decree made strikes and lockouts illegal.

Publishing of 'material' that could incite any form of industrial action was punishable by five years imprisonment. The Decree stipulated that either an employer or a trade union should report to the Inspector-General of Police any disputes arising from their place of work within 24 hours failure of which would result in either the employer or the trade union leader being sent to jail. Although the then commissioner of labour defended both (1968 and 1969) Decrees as temporary measures to crush 'Ojukwu's rebellion, they remained in force years after the civil war. For example, in 1975, when following the Udoji Wages and Salaries Review Commission awards (see Chapter 3.8) workers were embarking on a series of industrial actions, particularly the 'Bank employees', the Inspector-General of Police reminded the public that the 1969 Decree had not been revoked.<sup>32</sup> What's more, four days later, the then Head of State General Yakubu Gowon delivered a similar warning.<sup>33</sup> The effect of the 1968/1969 Decrees was to weaken the trade unions even more during the period. Because with the restrictions placed on the organisation and execution of 'strike action' the unions were in no position to force their employers to concede wage or other improvements in their conditions of service.

The other legislation that followed after the 1969 Decree was the Trade Union Decree 1973 No. 31 (now amended - the Trade Union (Amendment) Decree 1978). The 1973 Decree dealt with trade union registration and recognition. The 1978 (Amendment) Decree stipulated that application for the registration of a trade union should

be made to the registrar of trade union in the prescribed form and should be signed:

- a. 'in the case of trade union of workers by at least 50 members; and
- b. in the case of trade union of employers by at least two members'.

With respect to trade union recognition (S.22) the decree stipulated that on registration a trade union was entitled to recognition by the employer. That if an employer deliberately refuses to accord recognition to registered trade union such an employer would be guilty of an offence and be liable on summary conviction in the courts.

In 1974, the Federal government promulgated another Decree - the Labour Decree 1974 No. 21 (now amended - Labour (Amendment) Decree 1978). The 1974 Decree treated the issue of check-off system. Under the decree, employers and workers were not obliged to make deductions from the wages of workers eligible to be members of a union for the purposes of paying contributions to the trade union so recognised. The Labour (Amendment) Decree 1978 introduced automatic check-off system which empowered the employer to make deductions from the wages of all employees who are eligible to be members of the union except those who contract out of the system in writing. That such deductions should be paid to the union.<sup>35</sup>

The pieces of legislation that followed were (i) The Trade Disputes Decree which commenced on 1st January 1976 (now amended and cited as the Trade Disputes (Amendments) Decree (1977)), and;

(ii) The Trade Disputes (Essential Services) Decree 1976 (now amended and cited as the Trade Disputes (Essential Services) Amendment) Decree 1977.

The Trade Disputes (Amendment) Decree 1977 amended some sections of the 1976 decree. For example, 'Apprehension of trade disputes by the commissioner of labour' (S3A) and 'tenure of office of members of the panel' (S7A) were amended.

The Trade Disputes (Essential Services) Decree 1976 empowered the Federal government to proscribe trade unions or associations employed in any essential service that has been engaged in acts calculated to disrupt the economy or the smooth running of any essential service. Or has, where applicable, wilfully failed to comply with the procedure specified in the Trade Disputes Decree 1976 in relation to the reporting and settlement of trade disputes.<sup>36</sup> The Trade Disputes (Essential Services) (Amendment) Decree 1977 amends the Trade Disputes (Essential Services) Decree 1976, and amongst other things provided for the punishment of employers, officials of any association of employers, officials of trade unions and certain individuals whose acts are calculated to disrupt the economy or the smooth running of any essential service.

Section 1(2) of the Decree states:

"Any person found guilty of an offence under subsection (1) of this section shall on conviction -

- a. where such person is an employer or official thereof or an official of any association of employers be liable to a fine of ₦10,000 Naira;
- b. where such a person is an official of a trade union or, not being an official of a trade union, is a person who in any way performs or assumes a leadership role in any such trade union or faction thereof, be liable to a fine of ₦200 or to imprisonment for six months or both such fine and imprisonment". 37

In summary, what is instructive in the discussion is the 'restrictive nature' of the Nigerian Labour Legislations, which distinguishes it from the United Kingdom Labour Laws. For although most recent British Labour Legislations such as the Employment Acts of 1980 and 1982 contain some elements of restriction mainly to curb trade union powers and immunities granted to them by the Act of 1906, none has been designed to outlaw strikes and lockouts to the extent Decrees discussed above have done. Trade Disputes (Essential services) 1976 and Trade Disputes (Essential services) (Amendment) 1977. As noted elsewhere in the discussion, the net effect of these Decrees has been to weaken further the already limited bargaining role of the trade unions. Because with the restrictions and threat of

'imprisonment for organising' 'strike action' (which is the trade union's greatest 'weapon') the unions are in no position to force intransigent employers to concede wage increases as well as improvement in other related negotiable items. The encouragement of collective bargaining as a mechanism for wage determination requires some relaxation of restrictive legislation. We shall return to this issue later in the thesis.

FOOTNOTES TO CHAPTER TWO

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4. Ibid., p. 34.
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6. Yesufu, T.M., An introduction to industrial relations in Nigeria, Oxford University Press, 1962, p. 36. See also Nigerian Union of Teachers' 'An Official History', Raymond, J.S., et al., The Caxton Press Ibadan, 1973, pp. 16-54.
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12. For a detailed discussion on this topic, see Ananaba, W., The Trade Union Movement in Nigeria, London, C. Hurst Ltd., 1969, pp. 26-32.
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14. Yesufu, T.M., An Introduction to Industrial Relations in Nigeria, Oxford University Press, 1962, p. 43. See also Wogu Ananaba, The Trade Union Movement in Nigeria, London, C. Hurst Ltd., 1969, pp. 40-42.
15. Ananaba, W., Op.cit., p. 41.
16. Department of Labour Annual Report, 1950/51, para. 41.
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23. Ibid., p. 28.
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29. *Laws of the Federation of Nigeria and Lagos, 1958, vol. VI, (Arbitration and Inquiry) Cap. 202.*
30. Yesufu, T.M., *An introduction to industrial relations*, Oxford University Press, 1962, p. 20.
31. *Laws of the Federal Republic of Nigeria 1968. The Decrees and Subsidiary Legislation*, Federal Ministry of Information, Printing Division, Lagos.
32. Daily Times, Lagos, 26th January 1975, However both (1968/69) decrees were repealed in 1976 by the Trades Disputes (emergence provision) Decree 1976.
33. Daily Times, Lagos, 30th January 1975.
34. *Laws of the Federal Republic of Nigeria, 1978, (The Decrees and Subsidiary Legislation), Sec. 22, p.A118.*



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36. Laws of the Federal Republic of Nigeria, 1976 (Trade disputes (essential services) Decree 1976, No.7, p. A95.
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### CHAPTER THREE

#### WAGE DETERMINATION PROCESS IN NIGERIA: 'MAIN MECHANISMS'

##### 3.8 Wage Tribunals or Independent Wage Commissions

The preceding chapter examined the trade union movement's development and the central labour organisation. It is the intention of this chapter to examine the various mechanisms or methods of wage determination which have in the last few years aroused both political and economic debate because of the Nigerian Labour Congress's demand for a ₦300.00 Naira per month minimum wage for workers in the country.<sup>1</sup> Their advantages and disadvantages, impact and performances will be examined. Since wage determination through government appointed wage tribunals or commissions have dominated the wage setting 'scene' for the last four decades (at least in the public sector) it would be in place to examine the process first; in order to find out what it is or they are, how it or they operate(s) and what its recommendations usually look like.

A wage commission or tribunal is an independent body appointed by the government at about every four to five years to review the wages and salaries of employees particularly those in the public sector with a view to recommending a rational wage structure. The body is usually made up of about six or seven members

(one chairman and five or six members) drawn from government ministries or departments, industries and academic institutions. A major feature of these bodies are they are 'ad-hoc' in nature. Of such wage Commission set-up immediately after the Civil War in 1970 was the 'Adebo Wages and Salaries Commission'

On the 20th of April 1970, after the formal budget speech by the then head of state of the Federal Military Government-General Yakubu Gowon, a wage and salaries review commission was commissioned, to be chaired by Chief Adebo. The commission had the following composition:

Chairman: Chief S.O. Adebo

Members: 1. M.O. Abiodun (Private industry)  
 2. A.E. Ekukinan (Government Dept.)  
 3. Okon E. (Union leader)  
 4. Dr. Bola (Academic)  
 5. Mallam Mahmmed (Academic)

The commission's terms of reference were:

In the light of (a) the cost of living and remuneration in posts with comparable responsibilities in the private sector, (b) the requirements for the rapid development of the national economy, and (c) the adequate development and deployment of efficient manpower in the public service and other factors;

1. to review the existing wages and salaries at all levels in the public services, and in the statutory public corporations and state-owned companies;
2. to examine areas in which rationalisations and harmonisation of wages, salaries and other remuneration and conditions of employment are desirable and feasible as between the public and private sectors of the national economy;
3. to consider the need to establish a system for ensuring that remuneration in the public services, the statutory corporations and state owned companies is periodically reviewed and kept in proper national balance; and
4. to make recommendations to the Federal Military Government, including if necessary, the needs for any appropriate interim measures pending final recommendations.<sup>2</sup>

Some of the recommendations made by the Adebo Commission included:

1. That all sections of the Nigerian community should be made aware of the close connection between issues of wages and prices and the general problems of economic development and social justice.
2. That subject to the reservations indicated in paras 40 and 44, Nigeria should adopt the principle of fair comparison with the private sector for determining pay in the public sector (para. 39).

3. That consideration should be given to 'nationalising and harmonising "the various pension and other superannuation schemes by the introduction of a national contributory superannuation scheme applicable to the different organisations in the public as well as the private sectors (para. 53).
4. That three levels of enforceable minimum wage should be established by zones as detailed in Appendix v to this report (para. 78). Exception from this rule would be permissible under the circumstances described in paras. 79 and 81 of this report.
5. Government should make it its declared policy to abolish the differential treatment meted to unskilled and semi-skilled labour so that this class of workers can be paid the same rates throughout the country without any geographical differentiation. This policy should be effected in two or three phases, and
6. That the daily paid or unestablished staff should be considered for established posts after three years service, in accordance with the criteria laid down in this report (para. 88 to 90)".<sup>3</sup>

Altogether there were sixty-two recommendations made by the Adebo Wages and Salaries Review Commission.

Historically, these wage tribunals or commissions which now dominate the wage determination system in the

country can be traced back to the days of the colonial administration in the country (Table 14). The colonial administrators were reported to have started this 'method' of wage setting because of the imperfect nature of the Nigeria Labour Market which made it difficult for the establishment of a national wage structure, through the formalised "Anglo-saxon model".<sup>4</sup> major purpose behind the establishment of the wage commission or tribunals was to reduce the differentials between urban and rural incomes. This was because before the Miller Committee of 1947, the colonial government was finding it extremely difficult to harmonize the wages paid to its labourers with those of country peasants (non-wage earning farmers).<sup>5</sup>

As the cost of living increased during the war, workers started agitating for a cost of living allowance (COLA), to meet their basic needs; and each demand or agitation sees the establishment of a wage tribunal or commission for that particular purpose. The Bridges Committee terms of reference in 1942 reinforced the above argument. These included among other things "to look into the possibility of increasing cost of living allowance due to increases in price brought about by war inflation 1939-45";<sup>6</sup> Table 14 reflects the various wage tribunals or commissions that have tackled wage and salary issues in the country. The table is divided into two sections. Section One lists

the pre-independence wage commissions, while Section Two deals with the post-independence wage and salary commissions. The table further reveals that from 1942 to 1981 the country had had thirteen wage commissions.

Although wage tribunals or commissions as a mechanism for wage setting remain popular within the government circles, it is not universally accepted by the majority of employers and employees in the country who would prefer collective bargaining. For example, responding to a question on the issue, a manager in one of the multi-national companies described the wage commissions in this manner:

"The wage Commission is not only irrelevant it is very obstinate. Wage Commission has resulted in a major upheaval. Its objective is hypothetical. It has no statistical department that produces accurate data. Wage commissions start from assumptions". 7

At times, even the authorities do acknowledge the hollowness and arbitrary nature of the wage commissions and their subsequent incapacity to deal with wage and salary issues satisfactorily. For instance, in its report the Morgan Commission acknowledged that wage determination 'because of its complex nature falls within the sphere of collective bargaining'. The Commission notes:

"As we have already emphasised, wages and salaries constitute the central core of the work contract and relationship, and there is no better index of the state of industrial relations machinery than its success in settling wages and salary disputes". 8

Table 14. Wage Tribunals or Commissions 1942/81  
Pre- and Post-Independence

Year	Commission	Terms of Reference
1942	Bridges (Committee)	To look into the possibility of in- creasing cost-of-living allowances due to increased price brought about by war inflation 1939-45.
1946	Tudor Davies	To determine the causes of the 1945 general strike and to made necessary recommendations as to the possibili- ty of reviewing wages,
1946	Harragin	To review Wages/Salaries of the estab- lished government staff in the federation.
1947	Miller (Committee)	To report on the necessity for consolidation of wages and cost-of- living allowances of unestablished and daily-paid government employees.
1949	Fitzgerald	Inquiry into the causes of Enugu Coal Mine Shooting.
1954	Gorsuch	Review of wages/salaries of estab- lished staff of all the governments of the Federation



POST-INDEPENDENCE COMMISSIONS

Year	Commission	Terms of Reference
1963/ 64	Morgan	<p>To investigate the existing wage structure remuneration and conditions of service in wage earning employment in the country and to make recommendation concerning a suitable new structure, as well as adequate machinery for a review on a continuing basis: with these guide lines, the commission was to provide recommendation on:</p> <ol style="list-style-type: none"> <li>1. A general upward revision of salaries and wages of junior employees in both government and private establishments;</li> <li>2. the abolition of the daily wage system;</li> <li>3. the introduction of a national minimum wage.</li> </ol>
1959	Handbury	Review and arbitrate for Federal government daily-paid worker's wages
1959	Mbanefo	Appointed by the Federal, Eastern and Northern regional governments to review wages of government workers and of all those employed in the private sector on the basis of increased cost-of-living.

POST-INDEPENDENCE COMMISSIONS

Year	Commission	Purpose or Terms of Reference
1966	Elwood	Rationalisation of posts created by the Gorsuch Commission in the civil service.
1970/ 71	Adebo	To review the existing wages and salaries at all levels in the public services, and the statutory Public Corporations and state-owned companies
1974/ 75	Udoji	To review the wages of workers in the public service within the framework of a comprehensive but manageable compensation scheme; and to create a machinery for making continuous wage adjustments possible in the future without recourse to ad-hoc wage commissions.
1980	Onosode	To look into the wage structure of all state-owned corporations with a view to recommending a different salary structure for them.

1. Compiled from Annual Reports of the Fed. Ministry of Labour.

Source: Daily Times, January 10, 1975, Page 7, (Article "Infield Analytical Xray of the Public Service Commission Report". By Adeyeme M.A. and Mambudiri.

However, in the light of the mounting criticisms against this method of wage setting, one might ask why has this apparently unpopular mechanism remained the country's main method of wage determination. Clearly to give a fairly balanced and unbiased answer, one perhaps needs to examine very exhaustively its advantages and disadvantages. This is because, both its advocates and protagonists must have some reasons underlying their respective actions or perceptions. To this end, we would start first by looking at its advantages.

Firstly, the government perceives the 'Mechanism' as the vehicle or avenue capable of ensuring adequate protection for vulnerable employees particularly those engaged in the private sector. The argument here is that there are private employers in the country who regard their employees as mere appendages, and hence exploit them to their own advantage.

Most of the levantine employers (the Lebanese and the Indians) it is argued are only interested in the services offered by their Nigerian employees without bothering whether such workers were equitably rewarded or not. Nor are the employers concerned about the general welfare, conditions of work and other related issues in the contract of employment. Vulnerable workers it is argued are those employed in the

unprotected areas' (that is areas where trade union activities are either non-existent or very weak to organise the workers into different collective bargaining units for good wages).

This 'Protectionist' view was explicitly taken by the Morgan wages and salaries review commission in 1964, and was later enshrined in the wages boards and industrial councils decree No. 1, 1973. Under Section 1(i) of the Decree it was stated that 'government has the responsibility to protect workers in industries or firms where wages are unreasonably low or (where) no adequate machinery exists for the effective regulation of those workers'.<sup>9</sup> Lately, the new National Labour Policy of 1975 reaffirmed the government's determination to curb the exploitative tendencies of some unscrupulous employers. It stated thus:

"The Federal Military Government will henceforth enforce rigorously the provisions of existing labour legislation prescribing minimum conditions of employment. In this connection, the provisions of the Labour Decree No. 21 of 1974 relating to the protection of wages, contracts of employment, and terms and conditions of employment will be rigorously enforced in order to ensure that workers are not exploited by unscrupulous employers of labour".

10

Secondly, it is argued that since the public sector accounts for over 40 percent of all wage employment<sup>11</sup> in the country, some form of coherent manpower utilisation and allocation policy was desirable in order to increase efficiency within the public service. Infact this was

one of the requirements made of Udoji Commission when it was thought that the Third National Development Plan (1975-1980)<sup>12</sup> would be in serious trouble because of poor civil service and public agency performance. Undoubtedly, for this type of policy goal to be attained some harmonization of the wage structure would be necessary.

The third argument in favour of the wage commissioners is related to the second point made above; it is argued that national integration of public pay and organisation structure was desirable in order to reduce excessive labour turnover and to tackle absenteeism and recruitment difficulties which characterised the public service. The point being argued here is that private employers pay excessive wages and hence attract the best middle and high level manpower away from the public service. For this reason, it is the duty of the wage tribunals or commissions to reduce the marked wage disparities by making the public sector wage structure more competitive; with a view to reducing middle and high level man-power migration to the private sector.<sup>13</sup>

Indeed, this concept of keeping the 'national balance' was one of the terms of reference of the Adebo Commission in 1970. Subsection two of the white paper and final report states:

"In the light of the cost of living and remuneration in Posts with comparable responsibilities in the private sector; to examine areas in which rationalisation and harmonisation of wages, salaries and other remuneration and conditions of employment are desirable and feasible as between the public and private sectors of the National economy".

On the other hand, however, the opponents argue that its disadvantages outweigh the advantages discussed in the preceding paragraphs. Firstly, they argue that wage commissions or tribunals are not properly equipped to deal with complex issues such as wage determination.

Either the commissions lacked the capacity to evaluate intricate wage issues, or they are severely handicapped by non-availability of comprehensive, reliable and up to date data, vital for wage negotiations. For example, data on cost of living trends, wages paid in comparable industries, and profit margins, were not adequately taken into account by the Commission.

It is argued that essential wage determination tools such as the "Job evaluation" technique which is described as a systematic method of appraising the value of each job<sup>15</sup> in relation to others in an enterprise, is either not adequately utilized or in very many cases neglected. With the result that the commissioners very often work with piece-meal and highly fragmented information to cover the broad spectrum of subjects included in the wage revision; such as social welfare for the workers, transport, housing and educational institutions. Consequently, most of the commission's wage increment recommendations have been based on such emotional arguments as 'social justice and needs'.<sup>16</sup>

Furthermore, given the often very elaborate nature of the terms of reference of the 'commission' and the time allocated for the completion and submission of its report to the government, it is argued that the wage commission

hardly carry out an indepth appraisal of the subjects it was set out to examine, but merely give a passing attention to issues because of time 'pressure'. The Adebo Wages and Salaries Review Commission set up immediately after the Civil War in 1970 reinforces this argument of 'lack of time'. After the budget speech on the 20th April, 1970, which disclosed the approval by the Supreme Military Council of the setting up of the Wage and Salary Review Commission, the appointment of the commission's members never took place until 3 months later (that was on July 14th 1970). The first report by the commission which recommended an 'interim award' was submitted to the Federal Military Government in 1970.

The above chain of events imply that in reality the 'commission' had only two months to perform the assignment. Even three months wouldn't even be enough for the commission to embark on a nationwide survey (which involves sampling a cross-section of employees, in different parts of the country, interviewing them using the structured and unstructured interviewing technique, obtaining secondary material and finally, analysing the raw data from the survey) in order to generate the necessary facts and figures vital to this type of complex task. Given this short space of time it is argued that it will be quite impracticable for the commission to make a realistic assessment and indeed a vigorous evaluation of the issues set out on its terms of reference. As a consequence, the commission will at best produce an interim or incomplete

report and at worst a haphazard, and inconsistent report. Indeed, the government at times acknowledges this 'time pressure' issue, which each appointed wage commission had to face and its effect on the report itself. While receiving the Adebo Commission's report in December 1970, it declared:

"The government accepts that the task of the commission was a most difficult one, and is not surprised that it could not be accomplished in a short time given to the commission".

17

Thirdly, it is argued that the composition of the wage tribunals or commissions is usually unrepresentative in scope. Those concerned with employment contracts, the employers and the employees are not generally appointed to places on the commission boards. Before 1959, wage commissions had all along been chaired by an independent chairman appointed by the government, without either union or employers associations representatives on the commission.<sup>18</sup> Although recently the membership representational problem is gradually changing, nonetheless it is suggested that the 'social partners' (employers and employees) should be given more participative rights. To this end, future wage commissions should be expanded to include at least three trade union representatives and three employers with 'powers' to participate in debates during the commission's deliberations.

The question of the 'power' of the union and the employers representatives is crucial it is argued, because presently the one or two union/employer representatives on the



commission are normally there as mere observers denied powers to challenge decisions designed to rob workers of their rights. The net effect of this 'powerless' position is that the trade union leader merely enjoys the prestige and the publicity of being selected to serve on the commission. Indeed, it can be argued that the philosophy of allowing one or two labour management representatives on the panel is a camouflaged exercise designed to woo the 'social partners in the country into believing that the government wage tribunals or commissions are usually proportionately represented. While in reality, the trade union leader and his employer representative counter-part are no more than the 'yes group' in the panel.

Another serious problem with the wage tribunal or commission 'awards' arises in the private sector. Usually each award meant a huge increase in wages for the workers; the argument, then, is that if small scale employers such as those around Ikeja, Apapa, and Ilupeju industrial estates with very little cash turnover were obliged by force or any other means to implement the commission's recommendations (as usually the case),<sup>19</sup> and pay higher wages on a scale comparable to those established in the public sector, many of them will be forced to the "receiver". This is because organisations have other costs associated with production other than labour costs to consider.

*not much else  
in the center line !!*

Finally, it is held that even within the public sector it is open to question whether it is practicable to compare the jobs of the top-people realistically for equitable income remunerations. Take for example, the quest of comparing the jobs of such people as University professors with those of Permanent Secretaries and other functionaries; criteria of output, qualifications required, and the extent to which these qualifications are internationally valid, will all differ between occupations in the public employment.

However, now that we have examined the 'pros and cons' of the wage commissions, perhaps it will be worthwhile to have a closer look at their impact on certain macro-economic issues such as prices, employment and other related indicators before drawing up conclusions on this Government backed wage determination 'mechanism'.

(c) The Impact of Wage Tribunals or Commissions

At the risk of over-simplification, we shall limit our discussion to the following key issues thus - prices, labour unrest and employment.

(i) Prices: Perhaps one of the most dreaded consequences of a wage tribunal or commission in Nigeria is its impact on prices generally. Because every award is usually accompanied by a corresponding increases in prices throughout the country, leaving the wage-earning class worst off. But, one might ask how does this price increases come about

during the period of an award?

The truth is simply, that in Nigeria any year the government decides to set up a wage commission, for one reason or another, before even the government appoint members of such a commission, Urban (city) traders such as those in Lagos, Ibadan, Kaduna and Enugu will start putting up the prices of their goods from say ₦5.00 five Naira to ₦7.00 seven Naira. This initial move may be regarded as the first stage 'of the wage commission occasioned 'price metamorphosis'.

After the commission has deliberated on its terms of reference and perhaps come up with a range of recommendations, on getting such information the co-traders would once more increase their prices in spite of the fact that such recommendations were yet to receive government approval. This might be conceived of as the 'second stage' in the traders wage commission award euphoria. At this stage, we have to emphasise that the average worker in the ministry still regards the newly appointed wage commission 'with scepticism'. Because, first, experience has shown that at times such wage recommendations hardly get government approval. An example was in 1964 when as a result of the then Minister of Finance's pressure the government rejected the Morgan Commission on the grounds that such wage award would result in an increase in capital cost to the Federal government programme to the extent ₦20,625,500 Naira, and in recurrent expenditure of ₦6,888,240 Naira.<sup>20</sup> Secondly, even if such wage

recommendations were to receive government approval, the worker has yet to find it in his pocket.

When the Federal government finally approves such an award and a white paper is published to that effect, these 'ubiquitous market traders' for the third time in a row mark up their prices in excess of 30 to 60 percent. At this stage, even the peasant farmers and the village petty-traders now join hands in increasing the prices of locally produced staple food items such as gari, beans and cassava pulps.

Furthermore, the climax of these price increases would be reached when, after passing through a network of bureaucratic procedures the award and its bonus finally gets into the worker's pocket and he or she steps into a high street shop to buy the goods. There and then prices of goods would jump again to as much as one hundred to one hundred and thirty percent, depending on the type of goods. Consumer durables such as HI-FI equipment, refrigerators, and electric fans usually have a mark-up price of about 150-200 percent. The net effect of these 'abnormal' price increases is that, at the end of the day the worker discovers that the value of the 'bundle of Naira' (paper money) in his pocket has been reduced substantially because cost-push-inflation has caused the purchasing power of the Naira to be eroded. Indeed, very often most workers might regret having had such an award at all; and would have preferred not to, as one of the Luggage Loaders in the Nigeria Airways pointed out during an

interview with the researcher. (see Chapter 6). An elderly man who comes from Urhobo in Bendel State told the researcher:

"My son to be frank I don't like all these Udoji and Adebo wages because they make Naira to worth nothing".

Clearly, the aftermath of the Udoji Wages and Salaries Commission Award in 1974/75 bears a clear testimony to the inflationary tendencies of the wage tribunals. From Table 15, it can be seen that in 1973 (pre-Udoji) basic consumer food items such as sugar costs 20 kobo; and in 1974 when Udoji award was gathering momentum, sugar price went up to 25k. Then immediately after the awards in July 1975, the price of St. Louis sugar rose to 55k showing one hundred and seventy-five percent increase. The table further shows that a staple food item such as rice increased from ₦5.00 Naira in 1973/1974, to ₦10.00 in July 1975 that is 100 percent increase. Similarly, consumer durables such as refrigerators (locally made) increased by 25 percent, while electric fans increased by almost 40 percent. The same table further reveals that car prices jumped from (example Bium 2,500) ₦7,650.00 in 1974 to ₦10,630 Naira in 1975 immediately after the Udoji awards that is 39 percent.

Table 15.1 further reinforces the view that the value of money-wage increases granted by the wage commissions is rapidly diminished when real wage increases are considered. It can be seen from the table that in December 1973 the consumer price index stood at 202.9 and by December 1974

Table 15. Movement of Prices of Selected Items in Lagos  
Pre- and Post-Udoji

Item	<u>Pre-Udoji</u>	1974	<u>Post-Udoji</u>
	1973		1975
Sugar (St. Louis)	20k	25k	25k
Bread (16 Oz)	10k	15k	20k
Sardines (Queen of Cost)	18k	35k	38k
Bournvita	80k	₦1.00k	₦1.35k
Beans ( 1 tin)	₦5.00k	₦5.00k	₦6.50k
Rice (1 tin)	₦5.00k	₦5.00k	₦10.00k
Key Soap	30k	39k	45k
Lux (Large)	8k	12k	17k
Omo	20k	30k	35k
L.P. Record (Local)	₦3.50k	₦5.00k	₦6-8.00k
Beef (one pound)	45k	₦1.50k	₦1.00k
Regrigerator	₦180.00k	₦180.00k	₦225.00k
Electric fan	-	₦86.00k	₦120.00k
Star Beer	-	40k	55k
Fiat 124	-	₦2530,00k	₦2735.00k
Bium 2500	-	₦7650,00k	₦10630.00k

Source: Ukandi G.Damachi, , H. Dieter Seidel and Lester Trachtman - Industrial Relations in Africa, Macmillan Press Ltd., London, 1979, Table 5.6, p. 185.

it had gone up to 224.0 showing 10 percent increase. While between January 1973 and January 1975 the consumer price index rose from 172.6 to 237.6 an increase of about 38 percent.

However, these price increases were checked in the second part of 1975 following the July 29th coup which saw a new military administration in power; but for this change of government, with more stringent social and economic measures, most of the value of the increases in money wages could have been wiped out. within a year, as in the previous years.<sup>21</sup> Even so, the government at times do acknowledge the fact that these awards do precipitate undue pressure on 'prices'. For example, while receiving the Adebo Wage Commission second and final report in 1971, It commented:

"Although it is known that the awards in themselves will merely intensify the pressure on prices, it is not generally known that their impact on foreign exchange reserves is equally disastrous."

22

(ii) Labour Unrest: Another impact of the wage commission or tribunal, it is argued, is that the commission and its awards help to generate rather than reduce massive labour unrests which they are established to curb. An examination of the 'timing and pattern' of these industrial conflicts over the periods of the awards supports this argument. For, experiences have shown that each award such as the Morgan Commission in 1964, Adebo in 1970/71 and Udoji in 1974/75, has always been accompanied

Table 15.1 Central Bank of Nigeria Low Income Consumer  
Price and Food Index (Base Year - 1970 = 100)

Year and Month	Consumer P-Index	Food Index
1973 January	172.5	206.0
February	182.6	214.0
March	182.6	211.7
April	186.7	211.9
May	189.8	224.7
June	194.5	233.2
July	194.4	231.7
August	193.2	228.4
September	189.6	221.4
October	N.A.	N.A.
November	N.A.	N.A.
December	202.9	244.9
1974 January	203.7	244.6
February	204.6	245.4
March	206.2	246.8
April	215.3	261.3
May	212.8	260.3
June	218.5	268.4
July	216.3	254.3
August	216.5	261.3
September	219.6	262.1
October	216.9	256.3
November	221.7	264.8
December	224.0	269.8

(Continued)



Year and Month	Consumer P-Index	Food Index
1975 January	237.6	293.0
February	251.9	316.4
March	262.4	324.2
October	305.7	394.0

Source: Central Bank of Nigeria Annual and Monthly Reports  
Lagos (various years).

by unprecedented levels of labour unrest in the country, particularly among the employees in the private sector.<sup>23</sup>

As can be seen from table 15.2, the amount of industrial unrest, (normally expressed in the form of strikes, and man-days lost) reached abnormal proportions in the years of the wage commissions awards. For example, in 1959/60 the year of the Mbanefo Commission awards, the number of strikes rose from 54 to 69, and the number of man-days lost equally rose from 70,862 to 160,479 showing an increase of about 126 percent. In 1964, the year of the Morgan Commission the number of strikes went up from 69 in 1960 to 170, while the number of man-days lost reached an all time record of 1,300,000.<sup>24</sup> The number of man-days lost was high because of the general strike following the awards. The strike lasted for 13 days and almost all the workers in the federation were involved. Similarly, in 1971, the year of the Adebo Wages and Salaries Commission awards, the recorded number of strikes rose from mere 50 strikes in 1970 to 143 strikes in 1971 one hundred and eight-six percent increase.

Moreover, in the years immediately after the Udoji awards the wave of massive industrial unrests was being felt that is 1976, and 1977. The number of strikes increased from 105 in 1973/74 to 354 in 1975; while the number of man-days lost rose from 148,130.1 in 1973/74 to 357,028.2 an increase of about 141 percent. In the following year 1975/76 the trend remained the same with even a substantial increase in the number of man-days lost because of sporadic

Table 15.2 Strikes, Man-Days Lost and No of Workers  
Involved 1960-1981

Year	No. of strikes	Man-days lost	No. of workers
1959/60	69	160,478	36,667
1961/62	58	57,303	18,673
1962/63	45	53,039	N.A
1963/64	62	94,907	45,409
1964	170	1,300,000	73,447
1965	125	238,679	N.A
1966	59	54,165	N.A
1967	66	80,171	70,955.5
1968	32	461,137	N.A
1969/70	46	718,946	N.A
1970/71	143	224,470	78,474
1971/72	85	63,254	31,915
1972/73	71	105,415	43,676
1973/74	105	148,130.1	41,527
1974/75	354	357,028.2	126,818
1975/76	264	439,296.3	122,456
1976	130	225,709.6	83,126
1977	172	136,349	59,270
1978	67	200,374	29,892
1979	79	892,870	93,449
1980	170	957,116	N.A
1981	131	1,040,042	181,678

- Sources:
1. Annual reports of the Federal Ministry of Labour (various years) summary of industrial disputes.
  2. Yesufu T.M. - An introduction to industrial relations in Nigeria, London, 1962, p. 57.
  3. Central Bank of Nigeria Annual Economic and Financial Review, 1975-80, Table 14.
  4. Cohin Robin - Labour and politics in Nigeria 1945-1971, Heinemann, 1974, pp. 194-195.
  5. Fashogin, T., - Industrial Relations in Nigeria - Development and Practice, Longman, 1981, Table 6.1, p. 77.
  6. Daily Times Business Times Weekly Review, issue of January 1982.

Notes:

- + - Years following a major award in the public sector.
- \* - The increase in the number of man-days lost in 1981 was attributed to three things.
  - (a) The N.L.C. (Nigeria Labour Congress action day.
  - (b) Strike by the Bendel State Teachers
  - (c) Strike by the workers of Wimpey Bonus and Roof Nigeria Ltd.
- / - Stoppages recorded ranged from 3 hours to 2 days.

strikes by workers employed in the private sector. Indeed, up till 1977, these unprecedented levels of industrial unrests were still being felt.<sup>25</sup>

Table 15.3 reinforces the argument further that wage tribunal or commissions perpetuate industrial disputes rather than reducing them. In Table 15.3, it can be seen that even during the colonial era the wage commission awards have always been accompanied by significant proportional increases in the number of industrial unrests in the country. Although available evidence seems fragmentary in terms of quantity and quality in the years 1946 and 1964, nonetheless it can be argued that there is 'a positive correlation' between the wage commission awards and the number of strikes and other aspects of worker behaviour in Nigeria.

Earlier in the discussion, we did emphasise that the majority of strikes that result from the Commissions awards occur mostly in the private sector as shown in Table 15.4. Anyway, it is very ironic that the private sector should record such a high strike incidence when in actual fact all the wages and salaries review Commissions are appointed on behalf of the public sector employees, and not for the sake of private sector employees; though such awards later find their way into the private sector.<sup>26</sup> Given this position, one might be forced to ask why then the wage award fuss in the private sector?

Table 15.3 Selected Wage Tribunals and the Accompanying  
Number of Strikes.

Year	Commission	No. of Disputes	No. of Strikes
1946/47	Miller/	N.A	28
1954.55	Gorsuch	76	43
1959/60	Mbanefo	140	65
1964/65	Morgan	N.A	195
1966/67	Elwood	233	89
1970/71	Adebo	270	124
1974/75	Udoji	655	354

- Source:
- (1) Tayo Fashoyin - Industrial Relations in Nigeria, 'Development and Practice, published by Longman, 1981, Table 6.2, p.78.
  - (2) Federal Ministry of Labour quarterly review (various years).
  - (3) T.M. Yesufu - An Introduction to Industrial Relations in Nigeria, Oxford University Press, 1962, page 59.

The answer, though arguable is that the private sector employees feel that as part of the nation's labour force who shop in the same 'open market' like their counter parts in the public sector, (who benefited from such government award), they should not be denied such wage awards. An employee from A.G. Leventis (private company based in Lagos) had this to say to his manager immediately after the Udoji commission awards report was published in 1975:

"Government should pay us the Udoji awards after all we buy from the same market".

This private employee's attitude and reaction to these awards explain why as Cohen puts it,

"the vocabulary of workers activity in the private sector is replete with references to the government commissions - workers presenting demands to their employers for 'their Gorsuch, 'their Morgan', 'their Adebo and 'their Udoji awards'".

27

Table 15.3 shows the pattern of strike distribution in the private and public sectors. It can be seen that the ratio of strike incidence in the private sector to the public sector during the periods under discussion is very highly indeed. The proportion ranged from 1.6:1 in 1966/67, 1.4:1 in 1971 and 5.9:1 in 1974/75 to 9.6:1 in 1975/76. Although this type of ratio comparison may be quite misleading because, the private sector employees constitute only a third of the wage-earning labour force;

Table 15.4: Strikes by Sector 1966-78

Year	Private	Public Sector
1966/67	56	33
1967/68	43	20
1968/69	16	13
1969/70	36	17
1970/71	84	52
1971/72	72	2
1972/73	60	8
1973/74	90	15
1974/75	303	51
1975/76	239	25
1976/77	105	25
1977/78	144	9

Sources: (1) Federal Ministry of Labour unpublished reports  
(2) O - Sonubi, "Trade Disputes in Nigeria, 1966-1971", Nigeria Journal of Economic and Social Studies XV2, 1973.



nonetheless, what is illuminating in these strike figures is that they manifest as Fashoyin observed:

"the illusion brought on collective bargaining machinery by the customary extrapolation of public sector wage tribunal awards to the private sector." 28

As regards some of the reasons behind the apparent high strike incidence in the private sector, the most singled out reason is the failure by majority of the private employers to implement a wage commission award. Apparently, in 1975/76, this reason accounted for 95 percent of the reported strikes and lockouts in the private sector. 29

A government statement in 1958 suggests that the government was apprehensive of the fact that wage awards by its appointed wage commissions precipitate massive industrial unrest in the year or years such awards were made. "This is because while describing the year 1957/58 in terms of labour unrest it describes it as:

"one of stability, and optimism, punctuated here and there by occasional outbursts of localised disputes. The absence of any major revision of the structure of government wages and salaries was no doubt one explanation of the comparatively stable situation". 30

In conclusion, it is argued that increased industrial unrest in the Private Sector is brought about by the workers desires to emulate the Commission's Pay increases in the Public Sector.

(iii) Unemployment

In addition, it is argued that wage commission awards usually have a serious negative effect on employment levels which they are supposed to boost and protect. The government did acknowledge this view in 1971 while commissioning the Adebo Commission. It noted

"Under certain conditions their effects (wage awards) on the employment level may be negative where they cannot be fully absorbed under conditions of increased production".<sup>31</sup>

Clearly, there are several ways by which these wage awards can seriously affect employment levels negatively as the government noted above. One could be through massive reduction in the number of workers hired by private employers compelled by law to implement all that a wage commission had recommended. Secondly, job losses could result from 'closures' by firms which after paying such commission awards to its employees find it difficult to continue in business.

For undoubtedly, experiences have shown that each time these 'awards' were made and the small scale private employers which dominate the Nigeria labour market forced (by combination of employees' pressure and the authorities) to pay such massive wage increases, their effects on employment levels were always disastrous. Because usually the tendency is for these desperate private employers to capitalise on the negative side of such an award and start cutting down the rate with which they hire labour, with the view to reducing the apparent abnormal labour-costs occasioned by the awards.

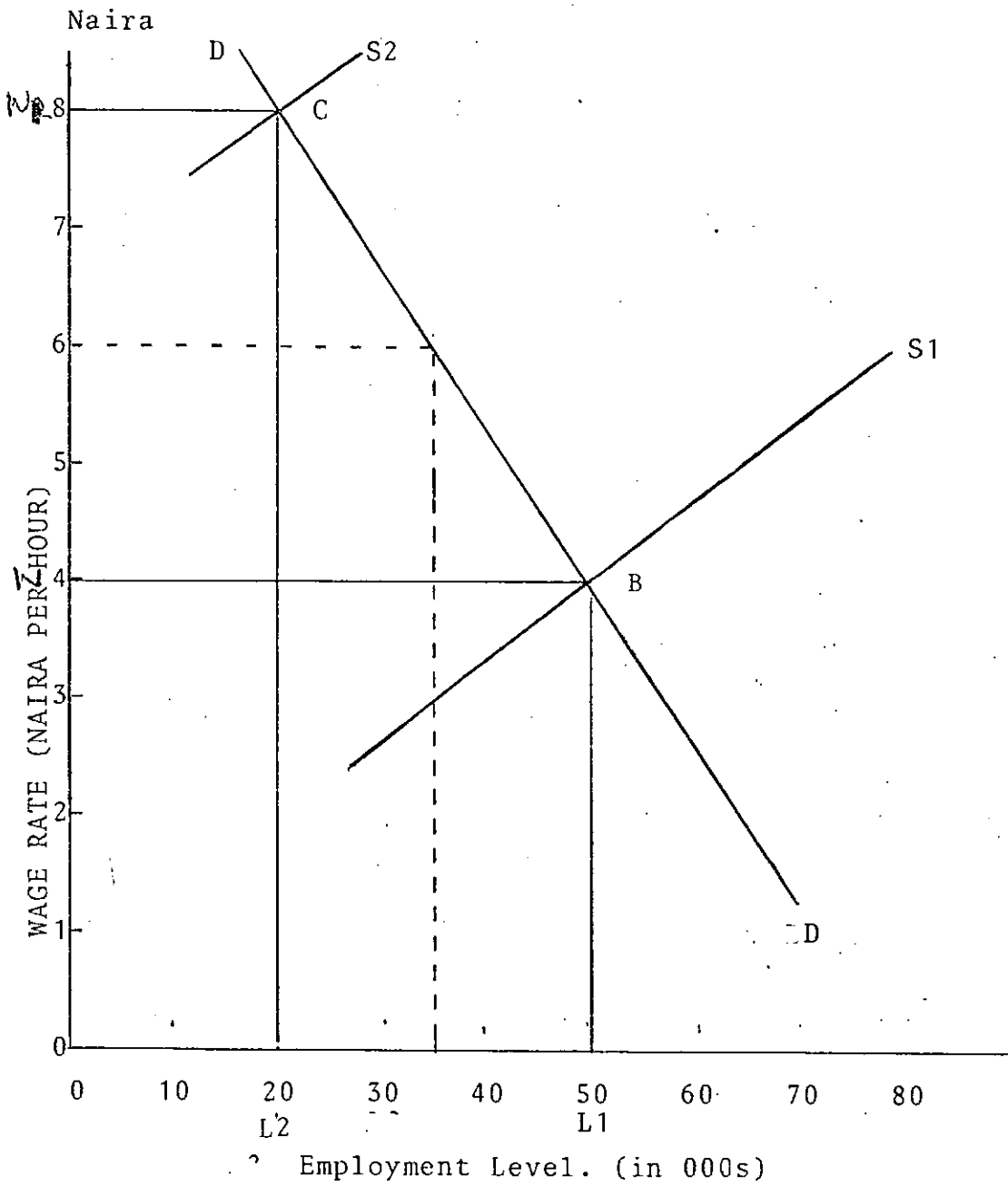
An application of a basic macro-economic theory of a 'firm's demand for and supply of labour in an imperfect labour market may illustrate how these massive wage awards affect employment both in the short and long run in the country would be in place.

For the purposes of this illustration, we are assuming that (a) there is no corresponding increase in demand for productivity levels to absorb or offset such wage increases, (b) there is no wage discrimination practiced by our hypothetical employer,

Using the graph in figure one, assuming that before the Udoji Commission's award, an employer in the private sector was paying ₦4.00 Naira per hour that is a wage  $OW$  on the graph for each worker hired; and so was prepared to hire the labour market supply of  $OL_1$ . The labour cost or wage bill at this wage rate will be  $OWX.OL_1$ , which is the area of rectangle  $OWBL_1$ . Moreover, at this wage bill neither the firm's profit margins nor its survival is threatened, hence, no retrenchment of workers, no shorter working week and threats of redundancies.

Now suppose, because of the wage commission awards the firm was forced to increase its hourly rate of pay (as often the case in Nigeria) from the relatively ₦4.00 that is ( $OW$ ) to ₦8.00 Naira, that is from  $OW$  to  $OW_1$ , 100 percent increase. The question might be what happens next? Obviously, with this level of increased "wage bill" the employer's response and attitude would almost be predictable. As a short-term measure the employer would

Figure 1. Graphical Illustration of the hypothetical impact of Wage Commission Award on Employment Level.



respond immediately by reducing the number of daily hired workers from L1 to L2 so that the company can survive, at least. This action would mean people being thrown out of their jobs either through compulsory redundancies or by any other means which the employer might consider necessary. While the few lucky employees who might be left to maintain essential services may be forced to accept shorter working week. Apparently, this would be the order of events in those firms with good financial resources which can still remain in business after the payment of these awards to their employees. But, for those firms in "shaky financial" positions which after implementing the wage commissions awards would find themselves out of business, the risks of mass job losses are even more grave. In that, as the firm moves to the "receiver" so would its entire work force be forced into compulsory redundancies, thereby lengthening the dole queue.

The response which the researcher got from the interviews held with the Nigerian Employers Consultative Association Officials in Lagos during the field work reinforces the above assertion. Though a set of data showing the number of workers being retrenched and the firms affected would have been more ideal. During the interview a NECA official pointed out that in 1974/75 the year of the Udoji Awards a survey carried out by NECA research unit (reports not usually made available to the general public) among its affiliated company members revealed that over ten thousand workers employed in the private sector lost their jobs. More than five thousand

employees were placed on shorter working week. The official further disclosed that over ten percent of its member firms or companies were forced out of their businesses after implementing the recommendations of the Udoji Wages/Salaries Review Commission. Hence, the argument that the wage commission awards generate unemployment instead of helping to create employment through this medium of 'pump priming' of the economy by the government, is supported by the employers.

In this analysis, we have attempted to explain what the wage commission or tribunal is, its composition and operation. We have also examined its advantages and disadvantages as well as its impact on certain key macro-economic factors. It was found that the wage Commissions have not shown themselves to be a wage fixing mechanism which

- (i) minimises Cost-Push inflation;
  - (ii) prevents industrial conflict;
  - (iii) avoids the danger of unemployment; and
- are not necessarily the most conducive means to economic growth.

### 3.9 Wage determination through the Collective Bargaining Process

This section sets out to examine the collective bargaining process in Nigeria; its historical development, structure and practice and constraints on its effectiveness. An important point about collective bargaining in Nigeria is that in spite of the support by successive administrations it has not been particularly successful as a mechanism for wage determination. However, later in the thesis we intend to show how collective bargaining can be organised.

The term 'joint negotiation or consultation' was first used in labour-management relations in Nigeria in 1937. This was when the then colonial authorities established 'provincial wages committees' throughout the federation. These committees were responsible for reviewing public service employee wages periodically.<sup>32</sup> The members of the committees were composed of government officials - Resident, District officers, and some local heads. Workers or their representatives were not given seats. In 1942, however, owing to mounting agitation by the workers the composition of these committees was expanded to include the workers and their representatives.

These committees functioned for a number of years before experiencing mounting opposition from both the trade unions and the workers, the latter claiming that the

provincial wage committees were no longer fulfilling their expectations. Following this wave of workers discontent which culminated in the 1945 general strike, the provincial wage committees were dissolved. In 1948, following the result of the investigations conducted by Mr. T.W. Cowan of the United Kingdom Ministry of Labour and National Service, Whitley Councils were set up.<sup>33</sup> Consequently, the functions of the departmental committees were confined to an examination of matters concerning individual departments. These arrangements meant that the Whitley Councils became in effect the machinery for the collective bargaining, while the departmental committees became consultative committees.

The new system (the Whitley Councils) consisted of three councils 'A' 'B' and 'C' charged with the responsibility for overseeing the problems of senior, junior staff and industrial/technical employees respectively. Each council was empowered to enter into negotiations with employees or their representatives where necessary and to settle disputes (within the public service). A major feature of the Whitley Councils system which needs emphasis is its scope, in that while the traditional bargaining machinery in the private sector could be on a house, industry or national basis; "Whitleyism" was nationally oriented, an all-embracing machinery covering federal, state and sometimes local government employees. This all-embracing or national scope advantage meant that a significant proportion of groups of employees or bargaining units can appropriately be covered by one negotiating process.



However, inspite of this advantage of national scope, after a year's operation (i.e. 1949) the Whitley Council system was found to be defective, as a consequence became unacceptable like its predecessor - the provincial wage committees. Several reasons were quickly advanced for the failure of the Whitley's Councils by the authorities.<sup>34</sup> Firstly, Whitley councils were unsuccessful because they failed to fulfil the purpose for which they were established. They were supposed to act, as mechanisms for effective wage negotiations. Instead the councils served merely as consultative machineries and this role was not acceptable to the authorities because it could not achieve set objectives. Secondly, the councils failed because of representational disputes, indecisiveness, bureaucracy and lack of government support. Thirdly, the various wage tribunals and commissions periodically set up by the government, to be responsible for wage determination and conditions of service, especially for the public employees, rendered the councils position-useless, in that these periodic wage commissions took over their function. Although following the advice of Mr. F. Carruthers of the United Kingdom Ministry of Labour in 1951, the councils were reconstituted they were still defective.

Apparently, because of the failure of the Whitley Councils, the Udoji Wages and Salaries Review Commission of 1974/75 supported the idea of the establishment of a National Public Service Negotiating Council. The Council would be responsible for matters relating to wages, arbitration and centralisation of the machinery for negotiation.<sup>35</sup>

(b) The Current Position of Collective Bargaining

Recent studies in Nigeria suggest that the collective bargaining process remains largely private sector dominated despite government's apparent commitment to the system. Tables 15.5 and 15.6 clearly reinforce the current position of collective bargaining in both sectors of the economy. In Table 15.5 it can be seen that out of a total of 316 collective agreements registered under Decree No. 21, 1968 and Decree No. 53 of 1969 (see Chapter 2.7), 291 or 92 percent collective agreements, 40 of which have been revised by the Federal Government took place in the private sector; while only 25 or 7.9 percent took place in the public sector.

The table further reveals that in the large public corporations such as the Railways, Coal Board and Airways collective agreements hardly took place; contrasting sharply with the high proportion of collective agreements registered in commerce, banking and insurance (in the private sector). Table 15.6 shows that in May 1974, out of 87709 workers in 125 establishments who were involved in collective agreements notified under section 5(1) of Decree No. 55 1969, 84699 workers or 97 percent came from the private sector. On aggregate, however, coverage is still very low. It is reckoned that collective bargaining is operating in 3.7 percent of establishments employing 10 persons or more and by only 23.2 percent of registered trade unions. 36

Table 15.5 Collective Agreements Registered under Decree  
No. 21 1968, and Decree No. 53 1969,  
(Private Sector)

S/No	Industry	Collective Agreements	Revised Agreements	Employees Union Involvements	Total Agreements
1	Shipping/Shipping Agencies	10	3	7(8)*	13
2	Stevedone & Dock	2	-	2(2)*	2
3	Road Transport	12	-	12(9)*	12
4	Air Transport & Travel Agencies	1	-	1(1)	1
5	Mining, Oil explorations, Production & Refinery	14	3	14(8)*	17
6	Food and Drinks - Brewing Mineral-water Prod.	20	3	20(19)*	23
7	Textile & Clothing	32	6	32(29)*	38
8	Paints, Chemicals, Vegetable-oil Processing	15	4	15(14)*	19
9	Rubber manufacturing & Retreading & Plastic	13	6	13(12)*	19
10	Cement Manufacturing	8	1	8(1)*	9
11	Engineering & Metal Products	27	2	27(24)*	29
12	Agriculture, Timber & Plants	8	-	8(8)*	8
13	Commerce, Banking & Insurance	53	6	53(45)*	59

(Continued)

S/No	Industry	Collective Agreements	Revised Agreements	Employees Union Involvement	Total Agreements
14	Hotels, Catering & Entertainments Excluding Radios & TV	16	-	6(6)	6
15	Technical Sales & Services	12	-	12(8)*	12
16	Petroleum, Gas & Oil Mkt.	10	5	10(7)*	15
17	Motor Trade	11	-	11(10)	11
18	Printing Info. & Allied Trade	10	1	10(10)	11
19	Building & Civil Engineering	12	-	12(8)	12
20	Paper Products & Services	15	-	15(15)	15
	Total(Private)	291	40	288(251)	331
PUBLIC CORPORATIONS - COLLECTIVE AGREEMENTS NOTIFIED: COLLECTIVE AGREEMENTS RENEWED					
1	Radio & Television	2	-	2(2)	2
2	Marketing Boards & Finance Corporation	2	-	2(2)	2
3	Development Corps.	4	-	4(4)	4
4	Electricity/Niger Dams.	2	1	2(2)	3
5	Railway	1	-	1(2)	1
6	Ports & (shippings)	2	-	2(2)	2
7	Coal	-	-	-	-
8	Airways	1	-	1(1)	1
9	Universities (Inc.) Teaching Hospitals	4	-	4(4)	4
10	Printing & Publishing	2	-	2(2)	2
	Total	20	1	20(21)	2

(Continued)

## PUBLIC SERVICE - COLLECTIVE AGREEMENTS NOTIFIED

S/No	Industry	Collective Agreements	Revised Agreements	Employers/ Union Involvement	Total Agreements
1	Education	1	-	1(1)	1
2	Local Govern- ment	1	-	1(1)	1
3	Public Works	1	-	1(1)	1
4	Transport & Aviation	2	-	2(2)	3
	Grand Total (All sectors)	316	42	313(277)	358

Source:

ILO/DANIDA African Regional Wages Seminar, November 1974, (ILO Geneva 1975), Appendix II, pp. 88-89.

Table 15.6 Collective Agreements - Notified  
under Sector 5(1) of Decree No.55, 1969.

PRIVATE SECTOR (1970-1974)

Industry	No. of Workers Involved					
	1970	1971	1972	1973	Jan-June 1974	Total
1. Shipping & Shipping Agencies	322	-	-	-	3368	3690
2. Air Transport	127	--	-	-	-	127
3. Mining, Oil, Exploration	46	1858	2500	598	2329	7331
4. Food & Drinks	6866	214	-	1273	1342	9695
5. Textile & Clothing	13599	4082	-	7078	158	21243
6. Rubber Manuf. & Plastic Prod.	-	819	210	574	60	1663
7. Cement (Glass, Clay) Concrete	980	-	613	1149	-	2742
8. Engineering & Metal Prod.	606	98	403	-	220	1327
9. Agriculture, Timber & Plantation	1136	-	-	22	-	1158
10. Commerce, Banking & Insurance & Allied	4114	8075	333	11338	2184	26094
11. Technical Sales & Services	814	-	-	300	540	1654
12. Petroleum, Gas & Oil	2107	-	988	1414	-	4509
13. Printing, Information & A	550	-	-	26	1215	1791
14. Paper Products & Services	324	425	694	442	-	1885
Total	31591	11897	5751	24264	11416	84909
Total Applicants in data	(51)45	(15)12	(16)12	(25)23	(13)11	(120)103

PUBLIC CORPORATION

Industry	No. Of Workers Involved					
	1970	1971	1972	1973	Jan-June 1974	Total
1. Electricity including Niger Dams Authority(3)	408	30	-	-	28	466
2. Universities Including Teaching Hospitals(2)	2544	-	-	-	-	2544
Total Corporations(5)	2952	30	-	-	28	3010
Total Private(120) 103	31591	11897	5751	24264	11416	84699
*Grand Total -(125)108	34543	11921	5751	24264	11224	87709
*Includes No Awaiting Approval 29(28)	-	-	249	18577	11416	30242

Source:

ILO/DANIDA African Regional Wages Seminar, Dar-es-Salaam, 18 to 29 November 1974, Appendix III, pp. 90-91.

On the basis of the above statistics, it might be argued that the position of collective bargaining in Nigeria contrasts sharply with the high standards established in the UK from where it was imported into Nigeria over a century ago.<sup>37</sup> In that, presently in the United Kingdom, over 75 percent of the workers in the public/private sector such as workers employed by the post office, steel industry, British leyland, and the coal mining industry to mention a few, are covered by collective agreement. The remaining 25 percent or even less mainly from agriculture, catering and retail distributive trades have their wages fixed by the wages boards and councils.<sup>38</sup> Similarly, in the United States, collective bargaining remains the principal mechanism for wage determination in both public and private sectors.

In addition, recent official industrial records of most developing countries suggest that collective bargaining was gathering a lot more momentum in these countries than before. For example, in Kenya out of a total number of 762,000 workers in paid employment in 1972, 414,723 workers or 54% were covered by collective agreement; and in April 1974, the total number of collective agreements registered was 95.<sup>39</sup> In the Caribbean countries, especially in Antigua, Grenada, Jamaica and Guyana significant proportion of the workers have their wages fixed through the collective bargaining process.<sup>40</sup>

The relative position of collective bargaining in the above mentioned developing countries raises one interesting question: if collective bargaining can be successfully



used for determining workers' wages and salaries in these countries equally under-developed like Nigeria; why has it failed to function in Nigeria or what are the constraints on its successful application? This question will be treated in due course. In the mean time, perhaps it will be worthwhile to start off by examining the structure of collective bargaining in the country.

(c) The Structure of Collective Bargaining in Nigeria

The Joint Industrial Council (JIC) sometimes referred to as the Joint Negotiating Council is the main bargaining machinery in the country, particularly in the private sector. The Constitution for such councils was established by the Wages Board and Industrial Councils Decree No. 1 of 1973, which came into force in October 1974. Earlier the Morgan Salaries and Wages Review Commission had in 1964 recommended its establishment among the catalogue of recommendations made to the Federal government.<sup>41</sup>

The 1973 Decree provides for the establishment of Joint Industrial Councils by employers and workers; extension of the councils collective agreements and exemption of marginal employers from the agreement. It further provides for the setting up of an area minimum wages committee and National Wages Board for the regulation of wages and conditions of service for unskilled and semi-skilled workers at the state and national level.<sup>42</sup> In the public sector (civil service) there is the 'National Public Service Negotiating Councils' (NPSNC) normally regarded as the 'brain child' of

the Udoji Wages and Salaries Review Commission of 1974.<sup>43</sup>

The (JIC) Joint Industrial Councils in Nigeria, it could be argued are dependent to some extent on the degree of 'mutual understanding existing between the social partners' (employers and the unions). This is because the powers and scope and composition of JIC's are varied from one industrial group to another. The main function of the Joint Industrial Councils was first specified by the Morgan Wages and Salaries Review Commission in 1964. The Commission recommended that:

"Each Joint Industrial Council should meet at least twice a year and should be charged with the responsibility for dealing with wages and salaries, gradings and regradings, and conditions of service, within its own sphere throughout the Federal Republic".

44

Perhaps an analysis, and examination of an NJIC in an industrial group would provide valuable information regarding the structure, powers and functions of the JICs. The chemical and non-metallic industrial group which Lever Brothers (Nigeria) Ltd. is a member company will provide a good example. In this industry, all decisions relating to substantive and procedural issues are taken by the National Joint Industrial Council for the Chemical and Non-metallic Products Employers Federation (called the Federation) and Non-metallic Products Workers (called the unions).

Under the industry's Procedural Agreement Part 1:

Citation and Scope: made in August 1979, the Social Partners agree as follows:

"1. That the Federation accepts the union as the sole representative and negotiating body for all eligible members of the non-senior staff of the various companies in the industry, within the meaning of the Trade Union (Amendment) Decree No. 22 of 1978."

2. That the Federation and the Union shall enter into collective bargaining on behalf of their respective members on all matters relating to the following:

A. NEGOTIABLE SUBJECTS:

Negotiable Items at National Level

1. Wages and salaries
2. Hours of work
3. Overtime and Rates
4. Annual Leave Holiday
5. Leave Allowance
6. Sick Benefits
7. Maternity Benefits
8. Acting Allowance
9. Housing Allowance
10. Transport Allowance
11. Call in Allowance
12. Out of Station Allowance
13. Transfer Allowance
14. Redundancy

3. "That the union acknowledges that the Federation's member companies have a right to manage their respective companies in ways and manner consistent with their survival in business".

4. "That the Union undertakes not to interfere with the normal functions of the management which give member companies of the Federation the sole right and

responsibility to conduct their business in such a manner as they consider fit. It is accepted that the union is free to approach management of the Federation's member companies over the welfare of its members".

Article 1, Part II of the Procedural Agreement dealt with the objects of the 'council'. Some of the objects of the council included

- a. "To secure the largest possible measure of agreement and co-operation between the federation and the union in all matters listed under Part 1 of this agreement, with a view to increasing efficiency and productivity combined with well-being of those employed".
- b. "To vary or amend from time to time agreements, decisions or findings reached by the council".
- c. "To secure the speedy and impartial settlement of real and alleged disputes and grievances, on negotiable matters".
- d. "To consider the adequacy or otherwise of the machinery for settlement of grievances between parties in the industry and hence to use their best endeavours to ensure that no strikes, lockouts or any other action likely to aggravate a situation shall take place until such a time as the machinery provided by the law for the settlement of industrial disputes have been exhausted".

MEMBERSHIP COMPOSITIONS: (Article 2) As earlier emphasized, the JIC membership is largely guided by the structure of the industrial group. The picture here in the chemical and non-metallic industry is that the Federation (employers)

and the union (workers) have equal representation. The NJIC is made up of fourteen (14) members, seven (7) accredited representatives of the federation and seven (7) representatives from the union. The chairman of the NJIC comes from the federation, usually a senior representative; while the vice-chairman is selected from among the union representatives normally a senior representative.

(article 2)

Article 4 of the procedural agreement deals with the Negotiating Patterns: in the following words:

"There shall be ONE National Joint Industrial Council for the Industry to deal with all negotiable matters of common interest mentioned under Part II, Paragraph 2 of this Agreement provided that any negotiable matters of domestic nature shall be negotiated at local company level. Article 5 of the procedural agreement covered the frequency of Council Meetings - orderings."

DURATION OF AGREEMENT: (Article 8) Agreements reached on any of the substantive issue mentioned under Part 1 of this agreement are normally designed to be operative for a minimum period of three years, effective from the date of signing the agreement. However, during this stipulated period; if new 'wage rates' emerge as a result of new dialogue between the government, the NLC and NECA (as has been the case in the last four years) the NJIC would meet again to review the existing wage rates in the light of the latest development.

During deliberations, if the council fails to reach agreement on any matter, that 'point of disagreement' is reduced to writing and signed by both the chairman and vice-chairman to be dealt with 'thereafter' in accordance with the provisions of any legislation/decreed governing trade disputes which is in force. Part III of the procedural agreement dealt with grievances. Individual grievances and collective grievances as enunciated in Section 3(1) of the Trade Disputes Decree of 1976:

INDIVIDUAL GRIEVANCES: The council agreed that every effort shall be made to deal with all individual grievances at the local member company level by the individual, personally or through the branch union or Joint Negotiating Council. In the event of a stalemate, the matter may be referred by the branch union to the National Union's Executive Council which may ask that the matter be raised at the National Joint Industrial Council, in which event, if the matter be so serious, the National Joint Industrial Council may hold an extra-ordinary meeting to resolve the matter. For the individual grievances the machinery for settlement is from the local member company to the NJIC whose decision is final. The operating grievance procedure is represented in Figure Two. At the local member company level the search for peace follows the normal organisational procedure; from the employee to the foreman, the personnel managers or sectional heads and the branch union.

Figure 2.

NATIONAL JOINT  
INDUSTRIAL COUNCIL  
(NJIC)



NATIONAL UNION'S  
EXECUTIVE COUNCIL



BRANCH UNION OR JNC  
(Reports)  
BRANCH UNION vs  
P. MANAGER  
  
EMPLOYEES vs  
SECTIONAL HEAD  
  
EMPLOYEE vs FOREMAN

Local Members  
Company Level

PRIVATE SECTOR

INDIVIDUAL GRIEVANCE PROCEDURE

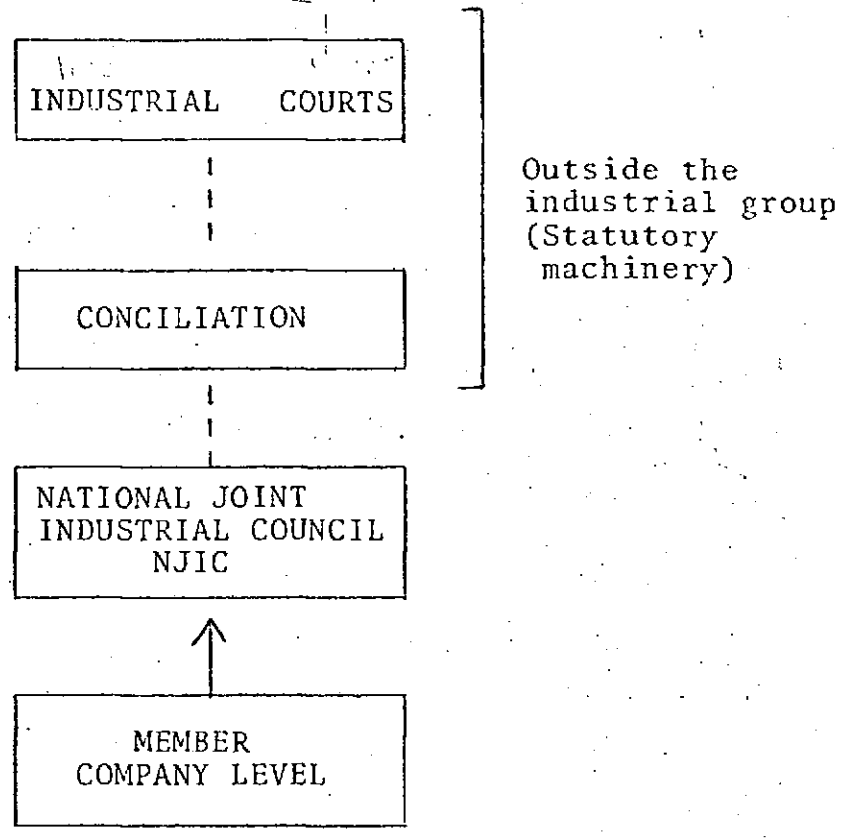
COLLECTIVE GRIEVANCES: Under collective grievances the 'council' agreed that 'any grievance arising from a breach, real or alleged, of existing terms and conditions of service in all the matters that are subject to negotiations mentioned in Part I of the Procedural Agreement which may affect any group of employees or any member company "should first be referred to the member company. If no satisfactory solution is found, within 28 days, then such matter could be referred by the branch union through the General-Secretary to the National Joint Industrial Council"; see Figure 2.1.

However, if the existing negotiating machinery fails to break the 'dead-lock' within the industry; the matter would then be referred to conciliation then if there is no solution, to arbitration. If after arbitration the stalemate was not broken, the matter is then finally referred to the 'Industrial Courts' whose decision is final and binding to the parties in the Dispute or Grievance. During this process of negotiation the Trade Disputes Decree of 1976 makes it illegal to go on strike or effect a lock-out until the Minister of Labour had been informed. Contemplated strike action must not be taken until after the expiration of 3 months following the publication of the arbitration award.<sup>45</sup>

Section (c) Part III of the Procedural Agreement established the local Joint Consultative Committees at local company or branch level to deal with consultation items at company level (see attached list below). A local Joint Consultative Committee is a forum for the regular exchange of views and information between the member



Figure 2.1.



COLLECTIVE GRIEVANCES PROCEDURE

PRIVATE SECTOR

company and representatives of its employees, on matters of mutual 'interest'.

JCC items at Company Level

1. Laundry
2. Shift
3. Lunch subsidy
4. Examination expenses
5. Production bonus
6. Christmas bonus
7. Product pack
8. Long service award
9. Scholarship award (staff and/or children)
10. Funeral benefits
11. Medical schemes
12. Study leave/Examination leave
13. Compassionate leave
14. Non-accident bonus
15. Hazard allowance

A Local Joint Consultative Committee is bared from discussing negotiable items (normally carried out by the Federation and the Union) which are covered by collective agreement.

Finally, it is worthy to note, however, that until recently the formation of the JICs (Joint Industrial Councils) have been based on individual (house) enterprises with only a handful found in company-wide establishments; this situation seriously affected the structure of collective bargaining for a very long time in the country.

In the public service, the premier bargaining machinery is the 'Public Service Negotiating Council' which succeeded the Whitley Council in 1978,

aims and objects of the council include:

- a. To secure the greatest measure of co-operation between the governments of the federation in their respective roles as employers and the general body of civil servants in all the public services of the federation;
- b. to deal with grievances of civil servants; and
- c. to promote industrial peace and efficiency in the public services of the federation.

On the functions of the 'Council' the Constitution provides that the council shall:

- a. Have general responsibility for negotiating all matters affecting the conditions of service of civil servants;
- b. advise the government where necessary of the best means of utilising the ideas and experience of civil servants with a view to improving productivity; and
- c. Review the general conditions of civil servants e.g. recruitment, hours of work, promotion, discipline, salary fringe benefits and superannuation, provided that in matters relating to recruitment, discipline and promotion, the council shall restrict itself to general principles.

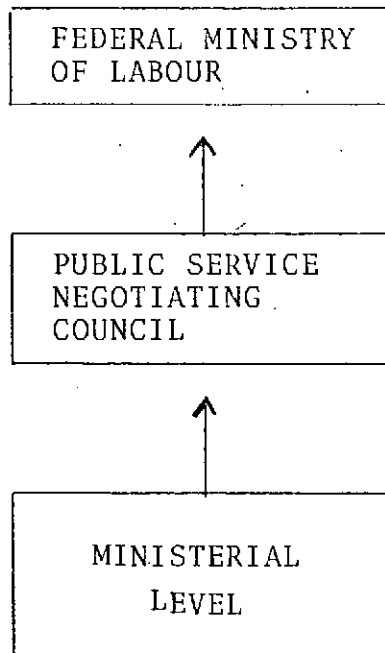
## DISPUTES/GRIEVANCES PROCEDURE

The disputes/grievances machinery in the public service is similar to that in the private sector. Individual grievance has to pass through the normal organisational stages; thus from employee to supervisor to the head of department. While collective disputes/grievances undergo the same processes, allowing the 'council' to intervene if a solution cannot be found within the Local Union Branch/Department level.

However, in the event of a dead-lock, as Figure 2.2 depicts (Disputes procedure) the council agreed that 'all disputes or differences whatsoever shall be referred to the Federal Ministry of Labour for settlement in accordance with the Trade Disputes Decree No. 7 of 1976 or any statutory modification or re-enactment thereof for the time being in force'.<sup>47</sup> The main problem with the public service council is that negotiations between the council and the government rarely takes place. As the President, of the Nigeria Civil Service Union noted in his article in the Daily Times titled "Collective Bargaining - a mockery in civil service"

"Regrettably, despite these lofty objectives and functions of the council negotiations rarely takes place. Worst still, conditions of service are reviewed arbitrarily and fringe benefits curtailed apparently without regard to workers opinion and without reference to the council".

Figure 2.2.



In the event of deadlock (all disputes or differences are referred to Federal Ministry of Labour above

PUBLIC SECTOR: 'DISPUTES' PROCEDURE

As provided in the Trade Disputes Decree No. 7 of 1976. Mainly for the Civil Servants.

The above statement suggests that the public service negotiating council is a mere cosmetic exercise and that the authorities still have much preference for the periodic wages and salaries review commissions.

(d) MAJOR CONSTRAINTS ON EFFECTIVE COLLECTIVE BARGAINING PROCESS IN NIGERIA

The irony of collective bargaining as a mechanism for wage determination in the country, is that, despite the overwhelming support and avowed commitment by the authorities its efficacy and credibility have remained very doubtful.<sup>49</sup> For example, in 1955, the then Prime Minister of Nigeria Sir Abubakar Tafawa Belewa issued the first policy statement supporting the doctrine of voluntary collective bargaining for the determination of wages. The statement came at a time when the regional governments were granting abnormal wage increases to workers in order to get their votes. The Prime Minister emphasized that:

"Government re-affirms its confidence in the effectiveness of voluntary negotiation and collective bargaining for the determination of wages. The long-term interest of government, employers and trade unions alike would seem to rest on the process of consultation and discussion which is the foundation of democracy in industry. Government intervention in the general field of wages should be limited to the establishment of statutory wage-fixing machinery for any industry or occupation where wages are unreasonably low by reference to the general levels of wages. Any other policy would seem likely to lead to political influences and considerations

entering into the determination of wages with effects that might be ruinous economically, and which would have serious adverse consequences for the development of sound trade unions."

50

While the Prime Minister was making his policy statement in Lagos, his Labour Minister then, Late Chief Festus Okotie-Eboh was almost at the same time addressing the International Labour Conference in Geneva reiterating the the government policy on the same issue. At the conference, he unequivocally stated that his government was adhering to the British prototype model, which he claimed had all the necessary 'clauses' that underlie the ILO Conventions of 1948 and NO. 98 of 1949. With the following words he went on:

"Can the various types of collective bargaining familiar to older industrial societies thrive in the different conditions of underdeveloped countries today? This is an important question which in the view of my government permits of only one answer. We have followed in Nigeria the voluntary principles which are so important an element in industrial relations in the United Kingdom. There is no doubt that Government intervention in the field of wages can have very adverse effects, in developing countries at least, on trade union development and therefore on labour-management relations, unless it is restricted to those fields where collective bargaining is either non-existent or ineffective. Equally it is my view that compulsory arbitration must inevitably have adverse effects on the seriousness with which both parties enter the earlier stages of negotiation. Compulsory methods might occasionally produce a better economic or

political result, but labour-management must, I think, find greater possibility of mutual harmony where results have been voluntarily arrived at by free discussion between the two parties. We in Nigeria, at any rate, are pinning our faith on voluntary methods"

51

Furthermore, the Federal Government adherence to the Anglo-saxon model was further re-echoed both before the Morgan Commission in 1964, and after the general strike in 1965.<sup>52</sup> More recently, in 1969, a government policy statement reiterated its long-term commitment to the principle of voluntary collective bargaining in the following words:

"The Ministry encourages employers and workers to try to settle questions of wages and conditions of employment by collective bargaining and only intervenes in the last resort, in the public interest, as an impartial arbiter. It fully supports the Principles and Practice of free and voluntary negotiation, collective bargaining and joint consultation. The policy is based on the belief that those directly concerned in the productive process are best placed to find the answer to their problems".

53

The question arises: why has the principle of voluntary negotiation and collective bargaining failed to function as an effective mechanism for wage determination after such long-term commitment to its doctrine by successive governments? Available evidence, though, controversial, suggests that several factors have been responsible for its ineffectiveness.



Firstly, it is argued, that the catalogue of government legislation, in the field of industrial relations in the last 15 years, set has curtailed the activities of trade unions and even threatened their very existence bears much of the blame. It is reckoned that during the 13 years of military rule a set of more than 14 restrictive Labour Decrees were enacted.<sup>54</sup> For example, in 1973, there were (a) the Trade Union Decree No. 31 (1973) which regulates the structure of labour organisations (b) the Wages Boards and Industrial Councils Decree which set up Industrial and National Wages Boards for fixing workers wages and salaries, and other conditions of service. In 1974, there was the Labour Decree NO. 21, which regulates employer-employee relations in industries. The Trades Disputes Decree NO. 7 (1976) defined power relationship between the social partners in bargaining situation. Section 3(1) of the same decree made it imperative for the parties in collective bargaining to specify methods of settling disputes in the collective agreement. The Trade Disputes (Emergency Provisions) Amendment Decree NO. 53 (1969) makes it illegal to go on strike or effect a lock-out until the Minister of Labour had been informed and reviewed the situation. Strike action must not be taken until the expiration of 3 months following the publication of the arbitration award.

Before the Disputes Decree of 1976 there were a number of other Decrees particularly, during the civil war. For instance, the Trade Disputes (Emergency Provisions)

Decree No. 21 (1968). This Decree was made at the height of the civil war, with the objective of keeping all workers' together so as to crush Ojukwu's rebellion.<sup>55</sup> The use of words such as strikes and lockouts were totally illegal and trade unionists faced possible prison sentences for organizing or contemplating to go on strike. The trade union Decree NO. 27 (1969) was aimed at streamlining the structure of the trade union movement. More recently, there have been a number of Decrees such as the Trade Disputes (essential services) Decree No. 23 (1976) which stipulates that workers providing essential services such as those employed by the National Electric Power Authority (NEPA), Ministry of Works (Water and Sewage Division), should not embark on industrial action.<sup>56</sup> Furthermore, the directives of the newly formed 'productivity, prices and incomes board, particularly with respect to wage and salary guidelines and approval of collective agreements are seen as constraints on the process of voluntary collective bargaining. (Chapter 3.9)

On the other hand, it can be argued that a country like the United Kingdom in recent years has witnessed a series of legislation in her industrial relations, and that Nigeria should not be an exception. For example, in 1971, the conservative government enacted the Industrial Relations Act which was highly criticised because of its mixture of reformist and restrictive measures by many industrial relation writers.<sup>57</sup> The I.R.A. 1971 was repealed by the Labour government in 1974 and was replaced by TULRA (1974) Trade Union and Labour Relations Act

which withdrew British Collective labour law to a much more voluntary position. In 1975, the Employment Protection Act was enacted. The Act further confers more basic legal rights to individuals(workers). Some of the provisions included: guarantee payments(ss 22-28), maternity pay(ss 36-38), Trade Union membership(ss 53-56), and rights in insolvency(ss 63-69). In 1978, some Sections of EPA were amended in the EPCA 1978(Employment Protection Consolidation Act 1978). The Employment Act 1980, enacted by the Conservative government repealed certain statutory procedures which were enacted for the benefit of trade unions and their members; it erodes the legal position of trade unions and employers who may wish to uphold the closed-shop and restricts the so-called trade union immunities.<sup>58</sup> Moreover, the new Employment Act of 1982, dealt a further blow to the trade union immunities.

However, the basic argument has been that most of the Decrees or legislations enacted by the Federal authorities have been too restrictive. It is argued that these decrees were designed to frustrate trade union attempts to build a strong and united labour movement which the government perceives as a source of industrial unrest and would provide for communists to breed.<sup>59</sup> For example, the Trade Disputes(Emergency Provision)Decree No.53 1969, later repealed in 1976,makes it illegal to embark on industrial action. The Labour Decree No:21 of 1974 which commenced on 1 August,1974, regulated all labour relations,particularly employer-employee relations. This interventionist approach

through legal enactments is more restrictive than the approach in the United Kingdom. With the exception of the I.R. Act 1971, which contained a mixture of reformist and restrictive measures; and the 1980 Employment Act, aimed at limiting trade union immunities, intervention through legal enactments has been modest, at least until the 1982 Act came into force.

Secondly, it is argued by the authorities, particularly the Wage Commissioners, that collective bargaining as a mechanism for wage determination is inadequate and hence unsuitable for the country because it is felt that collective bargaining cannot assure economic growth, full employment and the maintenance of equilibrium between prices and incomes. For example, the Morgan Salaries and Wages Review Commission in 1964 noted:

"The Commission's opinion on the existing machinery for wage determination was that the process of collective bargaining as supported by Government, and as practised by employers and workers in both sectors, had been very defective and of limited scope in the country".<sup>60</sup>

Similarly, in its own report in 1970-71, the Adebo Wage Commission objected to the use of collective bargaining exclusively for wage determination especially in the public sector, arguing that:

"The use of collective bargaining would not alone keep wages in proper national balance, both as regarded comparison between the sectors, and in relations to available resources. More generally, is such a system likely to assure simultaneously, distribute equity, economic growth, full employment and monetary stability".

This lack of confidence in the effectiveness of collective bargaining as a wage determination process even by the authorities who are supposed to be committed to it has earned collective bargaining a mixed reception among the other 'actors' - employers and trade unions. This situation makes it even more difficult for the workers to give hundred percent backing to the principle of collective bargaining as a very strong alternative to the present method - the ad hoc wage commissions or tribunals.

Thirdly, another constraint on the effective collective bargaining process in Nigeria (a problem faced by all institutions engaged in data collection and analysis) is the dearth of information on vital factors such as cost-of-living trends, labour market situation, wage comparison and economic conditions with which both the employers and unions can fall back on. As collective bargaining is in part an attempt to settle disputes by an appeal to reason rather than to force, when data on these factors are not available the normal process of give and take becomes severely disrupted. For example, discussions on trends in real wages very often suffer from the absence of indicators of changes in consumer prices of workers in low income group. Another deficiency is in respect of data on wages. The authorities hardly carry out industrial surveys. And if at all such a survey was carried out, publication of the results are very often delayed, or issued in a form that limits their value as a basis for negotiation. A common feature also is that, frequently information is collected but not compiled,

disseminated or properly analysed. Sometimes, when wage surveys are carried out by the NECA (Nigeria Employers Consultative Association) results of their findings are often restricted to their member employers companies only, and not made available to the public. This leaves most trade unions, whose resources for conducting their own wage investigation are limited, with fragmented information. The problem with this sort of data collected unilaterally (by the employers) is that they are often viewed with suspicion and contempt by the union.

The disclosure of information for collective bargaining purposes within individual enterprises in Nigeria, is largely a matter of management discretion.<sup>62</sup> The main reason being that the disclosure of such information would amount to revealing secret company information which might be used to the advantage of their business competitors. But, in certain developed countries such as the UK and the USA, this problem has been recognised and employers are required by law to disclose certain information. For example, in the UK, the Employment Protection Act 1975 places a general duty on employers to disclose information for bargaining purposes. The ACAS Code of Practice (1977) provided some examples of such information, and these include: pay and benefits, conditions of service, manpower, performance and financial statistics on costs and profits.<sup>63</sup> Similarly, in Jamaica Paragraph 16 of the Labour Relations Code of Jamaica states that:

"Collective bargaining is more meaningful if the parties are informed on the matters being negotiated. The parties should aim to meet all reasonable requests for information which is relevant to negotiations in hand, and in particular, management should make available information which is supplied to the shareholders or published in annual reports"<sup>64</sup>.

Furthermore, it is argued that the persistent basic disagreement of employers and trade unions, over ownership and management 'rights' are an impediment to developing collective bargaining relationships. The basic disagreements stem from the employers assumption that their 'rights' would be deprived of them or eroded if workers or their representatives were allowed to sit on the same negotiating table with them; or were to be consulted in decisions affecting workers working lives. Reinforcing this assumption, the Federal Ministry of Labour reported in 1972 that:

"In many cases it appeared to be still widely believed by employers that to consult workers would affect, in an adverse manner, the presumption sanctity of management's authority and prerogative, that such practice would undermine discipline if management plans for improvement should be subject to criticism by subordinates."<sup>65</sup>

Consequently, in Nigeria, over seventy-five percent of employers detest the idea of their firms having any form of trade union organisation.<sup>66</sup> The few employers who

accepted the formation of trade union in their firms, prescribed the type of union structure, and union officials they were prepared to make deals with. This conditional acceptance is necessary in the employer's view because, a strong union official and well-organised unions are perceived as potential threats to the employers. Hence, some employers prefer the formation of 'house unions' which are powerless, and in practice a little more than company run departments. In companies where trade unions are found to be strong and very militant, "such strong union officials were at best transferred to a remote village where they become incapacitated through lack of support from workers or at worst given the sack by their employers".<sup>67</sup>

As Smock found during his study of Coal Miners' Union at Enugu. He noted that

"the outspoken president of the union was transferred to another mine where management thought he would be more carefully watched".<sup>68</sup>

Because of this negative attitude towards unions, most employers often find it difficult to recognise trade unions for collective bargaining purposes. Very often under the pretence that African workers were not 'ripe' for trade unionism or collective bargaining, a view usually held by foreign employers.<sup>69</sup> Sometimes, as the former President of the Nigerian Ports Authority Workers Union told the researcher during an interview:



"an employer might refuse to recognise a union because he reckons that the Joint Consultative Committee (an employer-employee discussion panel) does better job: than a formal trade union."

Moreover, a firm might refuse to bargain with a union when the union representative is not perceived by the management as 'one of our boys' (usually an employee of the company). These 'outsiders' as they are called were preferred (by workers) to 'house' leaders because of their negotiating skill and ability to win more concessions for union members".<sup>70</sup>

In Nigeria nothing compels an employer to recognise a trade union. While the Labour Decree and Labour policy set forth the framework under which unions may legally operate there is no legal provision made for compulsory recognition of union by an employer. This picture contrasts sharply with the legal provisions for union recognition (before the Employment Act 1980 at least) in the U.K., where employers were by law required to recognise independent trade unions for collective bargaining purposes, if such a union applied for recognition and met the requirements.<sup>71</sup> In addition, a channel through which a union may seek assistance in an event of an employer's refusal to recognise it was established. An independent trade union could complain straight to ACAS in the event of failure by an employer to recognise it for bargaining purposes.

Secondly, because of their negative attitudes towards the unions, employers very often make unrealistic wage offers during negotiations or fail to implement in full all the items agreed in the collective agreement. It is argued, that many of the strikes that occur in Nigeria are as a result of employers' failure to honour the terms of collective agreement. 'Aire estimated that between 1960 and 1970, an annual average of six percent of reported disputes involved failure to implement collective agreement terms.<sup>72</sup> For example, the Federal Ministry of Labour reported that a six-day strike, involving the Former Mid-western (now Bendel) State Development Corporation and its 1371 employees was as a result of the corporation's failure to implement in full the terms of the collective agreement between the corporation and the employees.<sup>73</sup>

In sum, it is argued that these factors (non-union recognition, failure to implement collective agreements, unrealistic wage offers and a poor approach to negotiation) which are the manifestation of employers negative attitudes towards unions, adversely affect the functioning of wage determination through the collective bargaining process.

The fourth and perhaps the most serious constraint on the effective collective bargaining process in Nigeria, it is argued is rivalry between trade union leaders,<sup>74</sup> abuse of office by union officials and the irrational and proliferated structure of the unions. It is argued that

union leaders are very often found engaged in pitched-battles over union posts, such as the posts of the president and the general secretary. For example, in 1975, the battle for the NLC (Nigeria Labour Congress) President among union leaders reached unprecedented proportions.<sup>75</sup> This leadership struggle is not peculiar to National offices or posts only, it is equally a common feature of the local branch unions.

The problem with the leadership bickering or wrangling is that while it is being fought these union officials hardly had the time to concentrate on vital problems facing their members. The net effect of this bickering and wrangling is that it weakens the unions (particularly its bargaining capacity), and makes for instability in labour-management relations.<sup>76</sup> In conclusion, it is argued that the catalogue of Decrees, dearths of information, employers' attitudes and Union leadership rivalry are the main constraints on effective collective bargaining process in Nigeria.

FOOTNOTES TO CHAPTER THREE

1. Throughout 1980 and 1981 these debates continued. For example, see the following national news papers published during the period: The Daily Times, Lagos March 29th 1980, p.3; National Concord, Lagos April 22, 1980, p.5; Daily Times April 9, 1980, and the Daily Star Enugu, August 4, 1980, p.2; Daily Times Lagos April 20-22, 1981.
2. Federal Republic of Nigeria Government white paper on the second and final report of the salaries and wages review commission 1970/71, Federal Ministry of Information Lagos.
3. Ibid., pp. 51-55.
4. Kilby, P., Industrialisation in an open economy Nigeria (1945-1966) Cambridge University Press, 1969, pp. 270-271.
5. Nwabueze, R.O., Structure of Relative Wages in Nigeria cited in the Indian Journal of Economics, November, 1979.
6. For a detailed analysis of this discussion see the report of the Bridges Committee 1942, Federal Ministry of Information Printing Division Lagos.
7. Fashoyin, T., Industrial Relations in Nigeria (Development and Practice) Longmans Ltd., London, 1981, p.113.
8. Federal Republic of Nigeria: Morgan Wages and Salaries Review Commission Report, 1964, para. 89.
9. Wages Boards and Industrial Councils Decree No. 1 1973 - Federal Ministry of Labour Quarterly review, 1974.
10. The new National Labour Policy 1975, para.5, (Labour Inspection and Enforcement of Labour Laws) Federal Ministry of Information Printing Division Lagos, 1975.
11. For example, in 1975 it accounts for 67 percent of modern sector employment (see the Third National Development Plan, 1975-80, Vol.1, Table 32.4, p. 371.
12. For a detailed discussion of this issue see Fajana et. al., "The Nigeria Economy" University of Lagos Press, Yaba 1979.
13. Damachi, U.G., et. al., - 'Industrial Relations in Africa (International Institute for Labour Studies) Macmillan Ltd., London, 1979, pp. 186-187.

14. Adebo Wages and Salaries Review Commission 1970/71 main report p.3.
15. Pigor, P. and Myers, C.A. "Personnel Administration: A Point of View and a Method" International Student edition, McGraw-Hill, Kogakusha Ltd., 1977, p.342.
16. Cohen, R., "Labour and Politics in Nigeria", Heinemann Ltd. London, 1974, pp. 197-199. See also Turner, H.A., "Wage Trends in Developing Countries", (The Institute of Economic Affairs Occasional Papers).
17. Federal Republic of Nigeria "White Paper on the Second and Final Report of Adebo Wages and Salaries Commission 1970/71, para.42.
18. For example, the first wage commission appointed in 1942 was chaired by Mr. Bridges a senior labour official; in 1946 by Mr. Tudor Davis another government official.
19. White Paper on the Udoji Wages and Salaries Review Commission 1975.
20. Budget Speech by the Late Chief F.S. Oketie-eboh former Federal Minister for Finance. Federal Ministry of Information Lagos, 1964, pp. 24-25.
21. Damachi, U.G. and H.Dieter-Seiber et al., "Industrial Relations in Africa", Macmillan Books Ltd., New York/London, 1979, pp. 185-189.
22. Government white paper on the Second and Final Report of the Adebo Wages and Salaries Review Commission, 1970-71.
23. Cohen, R., "Labour and Politics in Nigeria", Heinemann Ltd., London, 1974, pp. 187-196. Also see Kilby, P., "Industrialization in an Open Economy (Nigeria 1945-1966)", Cambridge University Press 1969, pp. 274-275.
24. Ibid., Table 6.2, para. 194.
25. Central Bank of Nigeria Annual General, Social and Economic Survey, 1975-80.
26. The following post-independence wages and salaries review commissions such as the Morgan 1964, Adebo 1970/71, and Udoji were all commissioned to review the wages of the public servants or employees, see table 14.
27. Cohen, R., "Labour and Politics in Nigeria", London<sup>2</sup> Heinemann Ltd., 1974, pp. 195-196.
28. Fahsoyin, T., "Industrial Relations in Nigeria" (development and practice) Longmans Books Ltd., 1981, p. 80.

29. NECA News(Nigeria Employers Consultative Association) issue of September/October 1976/77.
30. Federal Ministry of Labour annual review 1957/58, para.96. Also it is pertinent to note that in the year under discussion 1957/58 there was no government wage commission awards.
31. Government White Paper on the second and final report of the Adebo Commission 1970-71,para.6,p.4.
32. Yesufu, T.M., "An introduction to industrial relations in Nigeria, Oxford University Press 1962,p.52. Also see Akpala, A., "Industrial Relations Policies in Nigeria", Geneva Afrique 'Acia Africana' Vol.10(1), 1971.
33. The Whitley Council was named after Sir Gerald Whitley, officer administering the government of Nigeria in 1945. Technically 'Whitley Council' is the term which is used for describing a negotiating machinery established by Whitley to look into the wages,including terms and conditions of service of the employees in the public service. The name Whitley coincides with that of the British member of parliament J.H. Whitley who chaired the committee on Collective Bargaining in the U.K. in 1916. Sir Gerald Whitley's Council made similar recommendations to the Nigerian government, over the Public Service Employee Wages and Conditions of Service.
34. See Government report of the commission on the Review of wages, salaries and conditions of service of the junior employees of the governments of the federation and private establishments 1963-64, Lagos: Federal Ministry of Information 1964, para.103. Also see Labour-management relations in the coal industry in Nigeria: Federal Ministry of Labour 1960, pp.7-8.
35. Udoji Salary and Wage Review Commission 1974 main report, Lagos, Federal Ministry of Information, 1976, p.98.
36. Report by Chukuma - Senior Labour officer in the Federal Ministry of Labour and Productivity to the ILO/Danida Regional Wages seminar at Dares Salaam, November 1974, p.79.
37. For a detailed discussion of this topic - the Anglo-Saxon model see Kilby, P."Industrialisation in an Open Economy Nigeria"(1945-1966), Cambridge University Press, 1969, pp.270-277.
38. Department of Employment 'New Earnings Survey 1981,' (Part A report and key results).
39. ILO/DANIDA Regional Wage Seminar,November 1974,pp.7-10.
40. ILO/DANIDA African Regional Wages Seminar November 1974. Also see the ILO/DANIDA - Wage Determination in English Speaking Caribbean Countries records of proceedings of and documents submitted. Kingston 1-7,March '78, (ILO 57).

41. Justice Adeyinka Morgan Wages and Salaries Review Commission Report to the Federal Government 1964, paras. 118-121. Federal Ministry of Information Lagos.
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60. Morgan Wages and Salaries Review Commission Report 1964, p. 42.
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63. Hawkins, K., "Industrial Relation Practice". London Kogan Page Books Ltd., 1979, see also Selwyn - Employment Law, London Butterworth, 1978/79.
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65. Cited in Cohen, R., "Labour and Politics in Nigeria", London: Heinemann Books Ltd., 1974, p.184.
66. Onyemelukwe - Problems of Industrial Management in Nigeria, Columbia University Press, New York, 1966, Chapt.7.
67. An official of the Nigerian Labour Congress made this remark during an interview with the researcher in Lagos, in 1981.
68. Smock, D.R. "Conflict and Control in an African Trade Union" Hoover Institution Press, Stanford, 1969, p.79.



69. African Regional Conference - Relations between Employers and Workers - ILO Geneva, 1960.
70. Fashoyin, T., "Industrial Relations in Nigeria", (Development and Practice), London: Longmans Ltd., 1980, pp.59-60.
71. In the United Kingdom the Industrial Relations Act, 1971, introduced the legal rights for trade unions to apply to be recognised for bargaining purposes by employers. Furthermore, under the EPA 1975 trade union certified as independent may apply to ACAS for recommendation for recognition by an employer. However, as noted already these acts 1974, 1975 were repealed in 1980(now by E.A. 1982).
72. Aire - "Industrial Conflict in Nigeria", p.106.
73. Federal Ministry of Labour "Annual Report 1968/69, Appendix X, p.48.
74. For example, Wahab Goodluck, a veteran trade union leader discussing the leadership rivalry problem maintained "if leaders have a common front, no employer can have the gut to treat workers with a levity and hope to remain in business", cited in Cohen, R., "Labour and Politics in Nigeria, London: Heinemann Ltd., p.124.
75. Report of the Tribunal of Inquiry into the Activities of the Trade Unions: Federal Ministry of Information, Lagos, 1977, p.12.
76. This problem was isolated by Major-General Henry Adefope then Federal Commissioner for Labour while addressing the NLC conference at Ibadan on 28th February 1978, p.60.

## CHAPTER FOUR.

### WAGE DETERMINATION THROUGH THE NATIONAL MINIMUM WAGE AND PRICES AND INCOMES POLICY.

#### 4.10 National Minimum Wage:

The preceding chapter examined the two main mechanisms for wage determination in Nigeria, namely the collective bargaining process and the independent wage commissions. Collective bargaining was found to be ineffective confined mainly to the private sector inspite of the overwhelming support and avowed commitment to its tenets by the government. The independent wage commissions were widely used but very unpopular among the trade unions and the employers.

This chapter is concerned with the examination of minor methods for wage determination in the country; thus the national minimum wage and the Prices and Incomes Policy, which if properly developed would assist in the future development of collective bargaining process in Nigeria. The national minimum wage does not mean for the whole country, but for different categories of workers mainly the lowest income group. Although a very recent development, we shall attempt to examine their objectives, attempts at their introduction in the country, the fixing machinery, and the current argument about them; starting first with the national minimum wage.

The practice of minimum wage<sup>1</sup> regulation is generally considered to have first started in New Zealand and Australia around the turn of the century.<sup>2</sup> It was specifically used in these countries as a device for the prevention and settlement of disputes. Under the New Zealand industrial Conciliation and Arbitration Act of 1894, the court of Arbitration was empowered to settle industrial disputes by issuing awards fixing minimum wages that were to be binding on all the workers in that District where the dispute had taken place. Shortly thereafter, other countries followed suit; and among the first was the United Kingdom. The UK adopted the minimum wage legislation in 1909 with the view to eradicating 'sweated labour' in the low-paying sectors.

From about the mid-1930s, and especially after the second world war the number of other countries adopting minimum wage regulation grew rapidly. The few countries in which minimum wage regulations were not considered necessary or had been confined to a limited number of workers because of their extensive reliance on collective bargaining process were Austria, Denmark, Norway, Sweden and Switzerland.<sup>3</sup> The wide acceptance of the minimum wage regulation principle is reflected by the nature of support which the series of ILO instruments on it have attracted. First, the ILO produced minimum wage fixing machinery convention 1928 (No. 26) which has been ratified by 89 countries. Over half of these ratifications have occurred in the last 15 years. Secondly,

the ILO minimum wage fixing machinery (Agriculture) Convention 1951 (No. 99) aimed to provide protection for more workers. The last instrument in the series being the ILO minimum wage fixing convention 1970 (NO. 131) conceived with the special problem of the developing countries in mind.

In Africa, although the legislation on minimum wages was adopted quite early, it was not until the 1940s and 1950s that effective laws and a number of minimum wage fixing decrees were implemented on a significant scale. In many parts of Africa the introduction of a minimum wage was the result of colonial policies initially designed to deal with special labour problems. As the ILO 1978 conference - RT RLD/1978/D1 noted:

"The basic explanation for the prevalence of minimum wage regulation is undoubtedly linked with labour market conditions in many developing countries. On the one hand, the poverty, high rates of unemployment, lack of marketable skills and poor information available on alternative employment opportunities combined to make the position of many wage earners exceptionally vulnerable. On the other hand, the weaknesses of the Trade Union movement and the limited coverage of collective agreement meant that direct legislative action was the only means of providing some form of protection".

4 -

Despite the wide acceptance however, problems have occurred with regard to the definition of basic objectives, and the criteria and the machinery for fixing minimum wage.

(a) BASIC OBJECTIVES OR ROLES AND LIMITATIONS OF THE MINIMUM WAGE SYSTEM

Broadly, a country might have various objectives in mind for the establishment of minimum wage system; however, at the risk of over simplification, only four basic objectives can be identified for discussion. The first objective or role of minimum wage regulation it is argued is to provide protection for a small group of low-paid workers considered to be in a very vulnerable position in the labour market. Such groups of workers include home workers or young, unskilled/semi-skilled and female workers. The role is based on the assumption that minimum wage fixing should be a highly selective instrument of government policy, limited in application to the above mentioned groups of workers who, because of particular characteristics, are in a very weak bargaining position. The aim of this objective is not to bring about a major change in income distribution but to remove manifest anomalies in the wage structure.<sup>5</sup>

However, while such a role or objective for minimum wage regulation is comparatively easy to pursue and is unlikely to generate significant adverse economic effects; it suffers from being very limited in the contribution it can make to the reduction of poverty. Because, first, its effectiveness as anti-poverty tool is limited by the fact that low wages are only one of many causes of poverty particularly in developing countries. A range of factors such as unemployment and underemployment.

lack of opportunity for advancement to good jobs and large family size might have contributed to the high poverty rate and not necessarily low wages. Just as N.N. Franklin noted:

"a low general level of wages is for the most part a symptom rather than a cause of poverty."

6

Secondly, minimum wage rates affects wage earners only; whereas this group of people represent a small proportion of the labour force in most countries. For example, in Nigeria, figures published recently by the Federal Office of Statistics show that the proportion of urban wage-earners to the total population is 0.0464; those in the rural areas 0.08770 and the self-employed 0.0766.<sup>7</sup>

The second role or objective sometimes prescribed for minimum wage regulation (closely related to the first one) is for the elimination of 'unfair competition'. This objective reflects the view that while employers are free to compete among themselves in respect of price, quality of product, design and sales, competition should not be at the expense of the workers - in other words, it should not affect workers wages and established terms and conditions of employment. Application of this objective is strictly restricted to those industries which are thought to have a potential for 'unfair' wages in most countries.

However, the problem with this role is that in practice, it is very difficult to isolate what constitutes 'unfair wages' because of variations in interpretation

and conceptualization; particularly in developing economies which usually include both employers and workers at very different levels of prosperity, sophistication and development. For instance, a wage that might be considered 'unfairly low' if paid by a large-scale established employer to devoted and experienced workers in the modern sector of developing economy might seem 'inappropriately high' if it were fixed as the lowest wage that could legally be paid to an inexperienced or unskilled worker by a small-scale established employer. Hence, the difficulty in determining what constitutes an 'unfair wage' in a given situation.

Thirdly, a broader objective for a minimum wage system, it is argued involved 'the establishment of a basic floor' for the wage structure. Under this approach, the intent is not to cause major changes in the prevailing levels of wages but rather to make a modest contribution in poverty reduction by providing 'safety-net' protection for all low-paid workers. This role is based on the belief that minimum wages can only make a positive contribution to the achievement of social and economic goals when they are confined to protecting the lowest paid wage earners against the vagaries of the labour market.

Again, the problem here is that of deciding the level at which the basic floor should be established; for although the 'basic floor minimum wage concept' seems relatively easy to administer deciding upon appropriate level for the floor is more an uphill task than the fixing of rates for individual industries. In that,

data on industry wage rates are usually much more detailed and complete than equivalent information for a given region or for a nation as a whole. Moreover, complementary information on labour and product market conditions in individual industries would permit ground assessment of the possible effects of an alternative level of minimum wages on the prevailing pattern of wages and employment. To carry-out, such assessments at the regional or national level can be much more difficult and problematic. Consequently, those charged with the responsibility of fixing general minimum wages are often forced to take their decisions on the basis of highly fragmentary information and in a state of considerable uncertainty about the likely effects.

Furthermore, an additional drawback it is argued, is the lack of adequate consideration given to the differences that may exist in the extent of modernisation or advancement of various industries and in the kinds of labour hired when floor minimum wage is fixed. For what might be considered a reasonable general minimum wage in certain industries may be totally unacceptable elsewhere.

The final and perhaps the most comprehensive objective of minimum wage involves its use as a general wage policy instrument to alter the general level and structure of wages in line with broad national economic and social goals; such as rapid economic growth, price stability and an improved distribution of income. This role or objective presumes that minimum wage has a major influence on the general movement and structure of prevailing wages



in a country. It is argued that, for a country particularly a developing one, to attain set macro-economic goals such as controlling the rate of inflation, and achieving high levels of employment the authorities have to come to grips with wage movements especially minimum wages; which usually have a major influence on the overall level of average wages. While on the other hand, it is also feared that in periods of economic recession or galloping inflation, the purchasing power of wages may be seriously affected if left unprotected. This will in turn affect the level of demand for goods and services with most serious impact on employment prospects and investment on new plants and machinery.

The main attraction of this objective for minimum wage fixing lies on the fact that, unlike other objectives discussed in the preceding paragraphs, it makes available direct means of bringing about greater consistency in a number of independent wage decisions and national economic and social priorities. However, while this objective clearly demonstrates that it has the greatest capacity to bring about an improved income distribution and economic performance; nonetheless, it is by far the most difficult role to implement effectively and runs the greatest risk of producing latent or unintended adverse economic repercussions particularly in the developing countries. For instance, with a range of highly complex and uncertain issues involved the wage fixing authorities are usually found battling with means of reconciling conflicting pressures towards economic stabilisation and equitable income.

Additionally, when minimum wage regulation is confined to the establishment of general rates, one of the factors hindering effective decision-making is the uncertainty surrounding what the effect will be on the wages actually paid. This uncertainty is essentially due to the impossibility of predicting the magnitude of the indirect effects on wages above the minimum. Another problem with this objective for minimum wage fixing is that, its use as a general wage policy instrument implies that the highest governmental authorities can set wage levels with the view of achieving the national economic objectives with or without the consent of the workers and employers whose roles are vital in any industrial relations systems. And it is argued that this would be a very serious issue particularly in the developing countries where the government authorities' capacity to take and implement such important decisions very satisfactorily have sometimes been doubted if not questioned.

In summary, it is argued that although the four objectives or roles are related and in some respects can be considered to differ from each other only by degree, and can be pursued simultaneously, but such objectives or roles should be in the light of broad government's social and economic objectives. In particular, minimum wage fixing cannot constitute a major element in a general wage system. The view is reinforced by Nigeria's experience.

(b) THE MINIMUM WAGE IN NIGERIA

Perhaps there is hardly any other aspect of industrial relations issue in Nigeria that has attracted as much government, employers and employees attention in recent years as the national minimum wage issue. On the one hand, the federal government authorities attempted to establish an acceptable national minimum wage rate in the light of broad national social and economic objectives. On the other hand, the workers protested very vehemently, claiming that such recommended national minimum wage rates were against the interest of the workers.<sup>8</sup>

The national minimum wage issue is enshrined in the constitution of the Federal Republic of Nigeria. Item 33 in the Exclusive List set out in Part 1 of the Second Schedule to the Constitution includes the power to:

"Prescribing a national minimum wage for the federation or any part thereof".<sup>9</sup>

In spite of this strong legal backing the national minimum wage issue has remained a source of embarrassment to the authorities. The only consolation now it is argued, is that the new civilian administration with the help of the Minimum Wage Act 1981 appears to be getting to grips with this highly sensitive issue.<sup>10</sup> However, in the succeeding sections we shall set out to examine the various machineries for fixing the national minimum wage rate over and above the government recommendation. But, first let us acquaint ourselves with the evolution of the national minimum wage in Nigeria.

(c) EARLY ATTEMPTS AT THE INTRODUCTION OF A NATIONAL MINIMUM WAGE IN NIGERIA.

- (1) Report on the fact finding Commission on the minimum wage question: 1955

The first properly documented early attempts at the introduction of a national minimum wage in Nigeria, was begun by the Western Regional government which in October 1954 reported to the Federal government that it proposed to supplement the wages of unestablished staff under its employment so that daily paid employees received no less than 5.0 shillings per a day for a 44 hour week.

The Western government expressed the hope that the Federal government would follow its initiative by agreeing to pay a minimum wage of 5.0 shillings per day to unestablished staff employed by the Federal Government in the Western Region.

Consequently, the Federal government appointed three federal government officers; namely, the Civil Service Commissioner, the Deputy Financial Secretary and the Deputy Commissioner of Labour; and charged them with the responsibility of collecting relevant data, that would enhance the deliberations of the council of ministers.

The council met on 25 October 1954, and after its discussions issued a statement on 26 October 1954 which was published in the local newspaper on 27.10.1954.<sup>14</sup> In its report to the Federal government, the panel outlined some of the possible financial and economic implications of the introduction of a National Minimum Wage of 5.0 shillings per day.

Few of the panel's pessimistic observations at the introduction of a national minimum wage of 5.0 shillings in Nigeria will be discussed here.

The Panel's observations were as follows:

1. "The panel felt that an introduction of a national minimum wage of 5.0 shillings would lead to a considerable increase in federal government annual expenditure which would probably have to be met by increased taxation.
2. That it would greatly increase the cost of implementing the 1955-60 Development Plan and .... it could probably be necessary to curtail these plans drastically.
3. Increase practically all costs and prices, but it is not possible to estimate the degree of inflation which would result.
4. Cause the majority of local existing industries to pass their increased costs on to the consumer, but a few industries might reduce their labour force. New industries might be discouraged from coming to Nigeria and existing industries might be discouraged from expanding."<sup>12</sup>

This panel's report had the effect of discouraging any other serious attempts at the introduction of a national minimum wage for a number of years, not until after independence were further attempts made.

(ii). The Morgan Commission on Wages and Salaries Review  
1962-64.

One of the terms of reference of the Morgan Commission on Wages and Salaries 1963-64 was:

"To examine the need for the introduction of a national minimum wage and to make recommendations."

In its report (Paragraph 29) the commission expressed the following views:

"The minimum wage is much more than hypothetical concept. From the point of view of effective and harmonious industrial relations, it is of great practical significance. It must therefore be practical and realistic, in terms of the needs of the worker, the capacity of the industry or employer to pay, in terms of its likely consequences for the atmosphere of industrial relations and for the economy as a whole, as well as in terms of the machinery available for its enforcement".

13

Commenting on the report of the Commission, the federal government pointed out that it recognises the need for a living wage for all the workers in the country; but stressed that such a living wage must be in the light of the country's social and economic objectives. Pointing out that

"extremely large increases on existing wages would disrupt the economy seriously and would be impracticable of implementation because many employers may be unable, immediately meet the cost

and this could result in immediate retrenchment of labour and an aggravation of the already serious problem of unemployment." 14-

Although the national minimum wage issue took different dimensions after the Commissions report, the Commission's views and cautions expressed by the federal government in terms of its introduction remain the guiding factors to date. As we move on to examine the various machineries for fixing the national minimum wage in the country perhaps the 'issue' will become clearer.

(d) The National Minimum wage fixing machinery.

In general terms, the methods of fixing minimum wages include a broad and varied range of practices that are not easily categorised. At the risk of over simplification four basic patterns have been distinguished here; namely, through the acts of the legislature, executive authority decisions, boards with powers of effective recommendation and boards with final decision-making authority. It is worth emphasising that the boundaries between these categories are not always clear-cut because of the existence of complex and changeable arrangements of shared responsibility, and the fact that within each category there remain wide variations in practice.

In Nigeria, however, before the 1979 Civilian Administration took over, three minimum wage fixing machineries can be identified. Namely (a) the Industrial Wages Boards

which consists of: (i) the National Wages Board and (ii) the Area Minimum Wages Committees established under the Wages Boards and Industrial Act No. 1 of 1973, following the Morgan Salaries and Wages Review Commission of 1964.<sup>15</sup>

(b) By the use of collective agreements; and (c) the use of 'fair wages clause'.

The Boards' deliberation arrangements can be described as an amalgam of centralized and decentralized tendencies. Centralized in the sense that most of the key decisions on the national minimum wage issues (rates to be paid and zones to be included, and effective dates) is decided by the National Wages Board in Lagos for the low income workers. Decentralized, in that, the Area Minimum Wages Committees based in the various capitals of the states are given the power of reviewing the minimum wage rates for the unskilled and semi-skilled workers in the states from time to time; with a view to establishing a national minimum wage, which is passed on as a recommendation to the National Minimum Wages Board in Lagos.

Membership of the Industrial Wages Boards consists of the representatives of both the employers and workers, in addition to federal and state government officials appointed by the Federal Ministry of Labour. The duties of the Industrial Wages Boards include the determination of minimum wage for industries where wages are thought to be unreasonably low; or where no proper machinery exists for the effective regulation of wages and other conditions of employment for



the workers. While the main functions of the National Wages Boards include the periodic examination of the adequacy of the minimum rates of pay for unskilled and semi-skilled workers, in the light of any recommendation received from the Area Minimum Wages Committees, with the view to establishing a National Minimum Wage.

(ii) By the Use of Collective Agreements:

This is carried out by making collective agreements on minimum wages legally enforceable on the parties under the provisions of S.2(3) of the Trades Disputes Act 1976. Under the provisions of this Act, the Minister of Employment, Labour and Productivity is empowered to make an order by which the whole or part of the terms of a collective agreement are made legally binding on the parties to which they relate.<sup>16</sup>

(iii) The third and final method is by the use of the fair wages 'Clause'. This is done by enforcing the terms of the 'Fair Wages Clause' in all public contracts; by which contractors are required to conform to special pay arrangements as regards the remuneration of their workers. This is regardless of whether the contractor has union members in his employment or not; and or, whether he was party to any pay negotiating machinery or not.<sup>17</sup> Although the wages boards may seem to have some form of authority on minimum wage policy matters, their independence from the Federal Government can hardly be viewed as complete. Past experiences have shown that proposals or recommendations by these boards have either been seriously altered to the annoyance of the boards or completely rejected

by the Federal Authorities. Contrasting sharply with the experiences in other countries where minimum wage regulations are extensively used. For example, in Mexico the wage fixing boards enjoy a high degree of independence, with the chairman of the National Minimum Wages Board having the power to order the publication in the official gazette of adopted resolutions.<sup>18</sup>

Furthermore, one major weakness of the Boards Arrangements is the frequency with which the boards meet. It is argued that the boards rarely meet formally to review minimum wage rates in the light of new changes in the economic sphere. It is reckoned that since the formation of the boards in 1973, they have only met thrice.<sup>19</sup> This view is reinforced by the fact, that (during the military administration) the minimum wage of ₦70.00 Naira remained unadjusted or unreviewed until October 1979 when the civilian administration took over, and recommended a new national minimum wage of one hundred Naira ₦100.00.

Besides, these Boards are seen by some critics as mere cosmetic exercise established by the authorities to appear to be taking workers' interests into account.

(e) Recent Developments in the Minimum Wage Fixing Mechanisms.

On returning to civilian rule on October 1 1979, the power for prescribing the national minimum wage for the federation or any part thereof was removed from the 'wages boards' and vested unto the 'National Assembly (Legislature)'. Following this transfer of power a new Minimum Wage Act came into being by the middle of March 1981 - the

'Minimum Wage Act 1981'. The impact of the new Act was quickly felt by the low-paid workers in the federation. For no sooner was the new law passed than the National Minimum Wage of ₦70.00 Naira was raised to all-time high of ₦125.00 per month. Housing and Transport Allowance increased to ₦15.00 and 10.00 Naira per month respectively for each worker. This leaves the lowest paid worker a gross earning of ₦150.00 Naira per month now in the country.<sup>20</sup>

However, this legislative approach has often been criticized because it is thought to be too drawn out and very inflexible and therefore likely to produce serious delays in the taking of decisions.<sup>21</sup> For example, in the United States where legislation has been regularly used since the 'Fair Labour Standard Act of 1938' it has been the subject of continuing criticisms. And on several occasions attempts have been made to change the law so as to provide for automatic or more flexible forms of minimum wage adjustment.<sup>22</sup> Furthermore, it is argued that the 'legislature' does not constitute the most appropriate forum for taking decisions on minimum wages because it is handicapped by the lack of relevant and adequate information relating to the broad issue of wage determination.

The Philippines experience in the 1950s and 1960s over the use of legislative acts to prescribe minimum wages helps to compound these accusations of inflexibility and unpopularity of the method. It is reckoned that during these periods each legislative act on minimum wages was accompanied by wide-spread controversy.

The Philippine authorities were forced to abandon the use of these legislative acts, and to look for a permanent body to be charged with the responsibility for minimum wage fixing. The president of the Philippine republic summed up the situation in the following emotional words:

"Up to now, our efforts at raising the minimum wages have been political acts, emergency measures not based on a facile, objective consideration of the realities relevant to wage determination. I think it is time we departed from this irrational, dislocating and costly practice."

23

Judged by the foregoing experiences it does seem that the setting up of a National Minimum Wage through the legislative process looks quite unpopular and cumbersome. On the other hand, it is argued that since the 'appointed Boards' approach has failed to function properly in Nigeria since its inception in 1973, the new legislative approach should be given a chance. By giving this new method a fair chance it is argued, that the authorities would then be able to make a choice between the two methods in terms of suitability.

(f) CRITERIA FOR FIXING THE NATIONAL MINIMUM WAGE IN NIGERIA

Perhaps one of the most difficult aspects of the administration of a national minimum wage system is defining meaningful criteria to guide the fixing of the rates. 'Criteria' are often seen as being

of significant importance for ensuring that minimum wages attain the objectives set for them and that decision-making is not arbitrary but principled and reasoned. In this discussion, we shall examine very briefly the most generally accepted criteria for minimum wage fixing and the additional criteria in use in Nigeria together with the problems associated with their application.

Despite the apparent difficulties, the criteria most often identified are usually variants of one of the following four concepts:

1. the needs of workers;
2. wages or incomes elsewhere in the economy;
3. the employer's capacity to pay;
4. the requirements of economic developments.<sup>24</sup>

In Nigeria, however, following the Morgan Commission report on Wages and Salaries in 1964, the government noted in paragraph 5 of the sessional paper No.5 of 1964 as follows:

"The minimum living wage, however desirable on grounds of social justice must be related to overriding considerations as: the ability of employers to pay; the possibility of retrenchment and its effect on the present unemployment situation; the possibility of further price increases; the effect on farmers and the peasants generally who constitute about 80 percent of the country's population; and the adverse effect on national economy during the current development plan period".

However, in the 1970s as the general economic outlook became more promising following the surge in the 'National Revenues', with corresponding increases in the cost of living, adjustment to the existing criteria became very crucial though not quite outside the generally accepted criteria discussed above. Consequently, the following criteria are now being used in determining the level of the National Minimum Wage:-

- a. The cost of living and the changes there in or the productivity of labour.
- b. The promotion of exports and the need to make the products of Nigeria's industry competitive in the ECOWAS (Economic Community of West African States) and international markets.
- c. The nature of the work.
- d. The possibility of effective enforcement.
- e. Economic factors, including the requirements of economic development, levels of productivity, the desirability of attaining and maintaining high levels of employment and investment and balance of payments equilibrium.
- f. The general level of wages in the country.
- g. The employer's capacity to pay.
- h. The needs of the workers (with or without special mention of the needs of their families).
- i. Wages paid for comparative work elsewhere in the economy, or more generally the relative living standards of other social groups.

While conceptually appealing though, it is argued that their efficacy is limited by the fact that they are incapable of providing precise answers as to how the level of the minimum wage is to be calculated. In fact it has proved a daunting task to derive a mechanical formula or simple yardsticks to be relied upon exclusively for minimum wage fixing. For example, the employer's capacity to pay criterion is a classic case of where 'definitions' and interpretations constitute problems, as is the 'needs of workers' criterion.

The capacity to pay issue has frequently been injected into collective bargaining negotiations by management as a reason for opposing certain union wage demand. Conversely, it has often been introduced by trade union officials as a proof that a company was financially boyant to meet union demands for a wage increase. A firms ability to pay determines whether it can make a choice between

- (a) paying above the national level or industry average in an effort to attract better employees;
- (b) or to keep their wages in line with comparable firms or
- (c) paying lower wages and possibly devising a means to attract new labour.

However, with this criterion two questions are discernable: (a) For an undertaking what is to be the best test for capacity and incapacity to pay? To give a clear-cut answer to a complex question of this nature wouldn't be an easy going exercise. Because, by trying to provide

an acceptable answer other posers or questions would crop up. For instance, to answer the above question where do we base the test or what measures should be considered in the circumstances? Should such a test be based on a firm's reported profits (in its return on capital employed?). If so, how much should be regarded as an acceptable profit level (that is the level or margin of profit) on which ability to pay or not to pay can be judged. Undoubtedly it would be very difficult to establish because most firms hardly publish in any one particular accounting period the actual 'profits' realised.

It is argued that this inaccuracy in financial statements makes it even more difficult to determine when a firm was financially viable, as to be able to pay its workforce or when it is financially incapable. Or should incapacity to pay be manifested in different ways outside financial stand? If so, at what level or frequency should a firm be 'shaking out' its workforce for the workers to be convinced that truly the firm was incapable of paying its workforce. Or should the number of firms forced out of business in an industry reach a certain number before the workers realise that the firm was no longer capable of paying them? Undoubtedly, unless these questions have reasonable and judicious answers application of capacity to pay criterion will be meaningless.

The second question is thus, at what level should capacity to pay be assessed, should it be within an industry, firm or at the national level? Usually the minimum



wage fixing authorities often found themselves in a quandary when making such a choice. Should it be industry or firm based? or should it be nationally oriented?

Selecting a particular 'level' is complicated by the fact that each level, industry or national, attracts support. While the former implies that different wage minima or rates should be fixed for different industries depending on the industry's level of prosperity, the latter implies a uniform national minimum wage. However, the advocates of the former (industry level) claim that it is the only way to enable the working people to share in the prosperity of the enterprises where they work and to reduce differences between profit and wage incomes, although quite contrary to the principle of equal pay for equal work.<sup>27</sup>

On the other hand, it is argued that a nationally assessed wage level will take into consideration the capacity to pay of employers in the low-wage sectors. And, even if employers with a greater capacity to pay decide to provide higher wages this could be done through the collective bargaining process. Because since such higher wages would not be imposed by law it would be less likely to distort the wage structure very significantly to hinder the pursuance of other macro-economic policies (such as achievement of full employment, price stability and balance of payment equilibrium). Hence, the problems of using the ability to pay criterion for minimum wage fixing.

(ii) The needs of workers' criterion

Reinforcing the imprecise nature of these criteria further is the needs of workers criterion. Because it has not been easy to come up with a clear-cut definition of needs of a worker for various obvious reasons. First, it is argued that experts in nutrition are yet to agree on an acceptable way of determining which needs should be included in the workers budget. This is mainly because of the marked variation in individual's wants and needs which are compounded by differences in physical characteristics, work environment and body metabolism. For while calculations may allow for variations according to age and sex it is usually considered impracticable to attempt to deal with differences in weight, health, environment or level of activity, even though they may have an important effect on requirement.

Moreover, the problem becomes even more complex when deciding upon Diets that will meet specified requirements in terms of vitamins, calories, protein and minerals. There can be a lot of differences in individual's diets depending on where the priority lies; whether top priority is given to cost-effectiveness (reducing costs) rather than ensuring variety in diet or conforming with the existing recipes. Furthermore, when it comes to non-food needs it becomes even more problematic, because of determining expenditure areas. The question that arises for example, is thus should only expenditures considered

essential for subsistence or survival needs be taken into account or should social needs be considered as well? Anyway, assuming the former, how is to be decided, what are essential expenditures on clothing, housing, health and transportation? Again, defining absolute standards for non-food expenditures is made more difficult because of a general recognition that they vary with national conditions such as climate, social security arrangements and essentially the stage of economic development attained by the country concerned. For example, in the USA non-food expenditures account for approximately two-thirds of estimated poverty level incomes as opposed to between a half and one-quarter of such incomes in developing countries.<sup>28</sup>

Secondly, assuming it was possible to arrive at some workable specification of needs, yet there remains the issue of whose requirement ought to be assessed for minimum wage fixing purposes. Should the reference worker be a bachelor or the head of a family (married man)? If the latter is selected as is usually the practice, what family composition should be assumed? Should it be a synthetic composition, considered to be representative or desirable? (for example a man, a woman and two or three children) or should recourse be made to some statistical measures of the average or typical family? If the latter procedure is adopted, should the measure be based on all the workers or on only those likely to be affected by the national minimum wage increase? Would the minimum wage

be sufficient enough to provide the entire needs of the head of family and his family? Or should consideration be given to the average number of income earners per family? Undoubtedly, the way in which these questions are answered will have a major influence on the income or earnings considered essentially for meeting a worker's needs. Yet there is no simple means of making the necessary choices; and practices vary enormously from one country to another.

Moreover, it is argued that no matter how the family composition and income earning pattern was selected, there will always be that problem of 'representation'. Because if as often the case, the required wage for an 'average' family assuming full employment, is computed this would be more than enough for a bachelor, while still being totally inadequate for a large family with only irregular employment for example, an Ocho passenger' at Iddo Motor Park or a Cocoa farm labourer.<sup>29</sup> Hence, the inherent difficulties in using budget estimates to calculate required national minimum waged directly, and the dilemma of the worker needs criterion when fixing minimum wages.

However, despite the difficulties discussed above, it is suggested that some attempt should be made to specify criteria since minimum wage regulation is too important a process to be left unguided. Also, while simple operational rules for the minimum wage fixing authorities may not exist, it is essential that the wage fixing authorities be equipped with some useful points, bearing

in mind the basic role to be played by minimum wage system in the national and broad issue of wage determination. Thus, it is suggested that where minimum wage regulation is limited to the fixing of rates for a few low paying industries, the wage fixing authorities should be advised to be largely guided by the criterion of 'comparable-wages' that is to consider wages payable in other industries. Or if minimum wage regulation is to provide 'safety-net' protection, the wage fixing authorities might be instructed to improve the position of the lowest paid workers without bringing about major changes in prevailing wage structures. Moreover, it is argued that in a developing economy such as Nigeria, minimum wage of unskilled workers, urban as well as rural, should be related to the average level of living of peasant cultivators, after due allowance had been made for differences in the cost of living, the nature and intensity of the work and the amenities of the two ways of life. For, in addition to being conceptually measurable, comparison of this kind is thought to encourage equitable distribution of 'fruits of economic progress' between the rural and urban areas.

The arguments:

Over and above the difficulties of determining criteria in Nigeria today, much of the controversy surrounding the efficacy of minimum wage fixing derives from the level of uncertainty concerning its economic and social implications. On the one hand are those (mostly capitalists) who remain convinced that any attempt to raise wages by the authorities over certain levels that would not be of

economic benefit to the employers is bound to lead to unacceptable declines in employment rates. While on the other hand are those for whom references to the possible economic implications of minimum wage fixing are no more than a camouflaged attempt to deny workers decent standards of living or rather in a more general language their own-share of the 'national lake' (the oil money).

In any case, since the nature of this study would not permit us to enter into any exhaustive arguments in order to establish which 'school of thought' is right or wrong with possible value judgements, we shall limit our discussion to some of the consequences of 'minimum wages' as enunciated by some well known associations such as the Nigerian Employers Consultative Association, the Ministry of Labour and Government agencies. The issues to be discussed here are the impact of minimum wages on (a) general level of wages (b) effects on economic growth (c) effects on prices, (d) standards of living and (e) level of employment, with a practical illustration of its effect on agriculture and mines industries.

(i) Minimum wages and general level of wages:

The argument here is that there is "a close relationship between movements in minimum wages and on wages actually paid". That wage structure is often strongly resistant to change and to the extent that differentials are preserved, higher paid workers also benefit from increases in minimum wages. Thus minimum wage fixing may be a more

powerful instrument for raising the general level of wages, with more pervasive effect than is usually thought.<sup>30</sup> However, on the other hand, it is arguable that the effects that minimum wages have had on wages actually paid are not obvious. This is because effects depend to some extent on the coverage and type of minimum rates fixed. Where these rates are restricted to certain industries, and where the whole occupational wage structure is established rather than just a single minimum rate, determining the number of workers who might have had their wages affected is not easy. In addition, the actual impact of minimum wages will equally depend to great extent on their levels relative to the previously existing pattern of wages.

(ii) Effects on Economic growth:

As far as the effects on economic growth are concerned the assumptions here by both NECA and the government agencies are that:

- (a) Wage increases certainly make for high costs of production and, also in most circumstances for higher prices.
- (b) Wage increases may lead to increases in productivity which may partly or wholly offset their effects on costs of production; but increases in productivity achieved at the cost of increased capital and managerial inputs will tend to make these resources scarcer and dearer in the rest of the economy.

- (c) Another way in which wage increases may have unfavourable effects on growth is by intensifying the balance of payments difficulties. They may make it more difficult for Nigeria to sell her products abroad and they may lead to an increased demand for imports of consumer goods.<sup>31</sup>

In this respect, perhaps the key issue would be to establish whether minimum wage changes have ever affected returns on capital, reduced government funds for non-wage expenditures or caused a deterioration in the balance of payment before jumping into conclusion. On the other hand, allowance must be made for the possibility that if there were unemployed resources due to a fall in aggregate demand, higher wages may have stimulated consumption expenditure and eventually employment and growths. Moreover, under certain conditions minimum wages could contribute to economic growth by inducing a more rapid switch of labour and capital resources from low wage industries to more productive uses.<sup>32</sup>

(iii) Effects on Prices, Standard of living and level of Employment:

The authorities firmly believe that minimum wage increases would have the following effects on prices/standard of living and level of employment:

- (a) 'The problem of finding productive work for school leavers and others who need it is causing



governments in the federation a great deal of anxiety; the effects of higher wages on employment opportunities are among the most important considerations to be borne in mind in fixing wage rates;

- (b) the increase in the demand for essential consumer goods with more or less substantial rise in their prices, since a rise in demand would not automatically lead to higher production;
- (c) with money incomes remaining constant for those who do not directly benefit by the minimum wage or higher prices, a rise in prices will mean that the real incomes of those groups will fall. Prominent among these groups are the peasants and the farmers in the traditional sector who constitute about 70 percent of the population;
- (d) the cost of implementing projects and programmes will rise. Migration from the rural to the urban areas will increase with adverse consequences on agriculture, rural development and the Green Revolution;
- (e) ~~There~~ there is also the question of enforcement. Apart from the issue of the machinery for effective enforcement, it would be futile to try to enforce the payment of a national minimum wage fixed by authority if the economic sector in which the workers are employed is not sufficiently productive to pay the minimum wage".<sup>33</sup>

To buttress the foregoing assertions the authorities had to demonstrate the impact of abnormal minimum wage increases, using two industrial units as an example - agricultural industry and mining industry. First the relationship (in agricultural industry) between the level of wage rates, cost of production and the prices of specified commodities such as rubber, palm oil and cocoa is outlined in Table 15.7(a)

Table 15.7(a) reveals that among the commodities produced only cocoa production is a worthwhile project. The losses incurred by the other two commodities (rubber and palm oil) are such that it will be un-economical for any one to recommend a continuation in their production. Hence, the authorities concern for minimum wage increases and rates.

In conclusion, it is argued that the apparent 'mixed up' in the national minimum wage issue stems from the fact that the authorities have not been able to specify clearly what the role of minimum wage regulation is in the national system of wage determination. More attention it is argued should be paid to the problem of specifying appropriate roles for 'minimum wage' regulations on the basis of a careful assessment of the alternatives in the light of national, social and economic conditions. Given the problems of establishing mechanisms, defining criteria and predicting its effects, the determination of national minimum wages is unlikely to become a central feature of Nigerian wage determination.

Table 15.7(a) Facts and Figures to Illustrate Relationship of Wages to Cost of Production

R U B B E R			
Wage per month	Cost of production	Commodity Board Price	Effect
₦61.80 p.m.	₦670.00 p.ton	₦690.0	₦20 (profit)
₦84.50	₦870.00	₦690.0	₦180 (loss)
₦100.00	₦970.00	₦690.0	₦280 (loss)
₦110.00	₦1939.00	₦690.0	₦340 (loss)
₦120.00	₦1090.00	₦690.0	₦400 (loss)
P A L M O I L			
₦61.80 p.m.	₦799 p.ton (average)	₦450.00	₦344 (loss)
₦84.50	₦1149 p.ton (average)	₦450.00	₦699 (loss)
C O C O A			
Wage per month and % of labour cost to total costs			
₦61.80 (35.8%)	₦822	₦1261	₦439 (profit)
₦84.50 (45.3%)	₦965	₦1261	₦296 (profit)
₦100 (49.4%)	₦1044	₦1261	₦217 (profit)

#### Fringe Benefits

1. Free Housing (single room for unmarried and double room for married)
2. Free medical treatment (for all members) of household living on plantation).
3. Free plots of land provided for workers to grow their own crops.

Labour Component: The labour component of the cost of production of these commodities is about 50%

Source: NECA News Sept./Oct. 1980. Nigeria Employers Consultative Association, Yaba, Lagos.

Table 15.7(b) Metallic-Mining

Minimum wage negotiated in the industry as at 31:3:80 was ₦53.07 per month.

Minimum wage on 24:6:80 came to ₦100.00 per month

Percentage increase 86 percent

Effects:

The additional cost to one of the Tin mining companies for adopting ₦100.00 per month as minimum wage was ₦1,000,000 (one million Naira)

Fringe Benefits

- a. Free housing
- b. Free water supply
- c. Generally free electricity supply
- d. Transport to and from work
- e. 20% of daily rate for each night as overnight allowance:

Source: *ibid.*, pp. 16.17.

#### 4.11 PRICES AND INCOMES POLICY.

Prices and incomes policy originated in the industrialised countries where it has been used mainly as a short-term policy instrument to tackle certain difficult macro-economic problems such as inflation and unemployment.<sup>34</sup> It is a policy instrument which is just gaining ground in -developing countries. The 'term' is used in many various ways. Sometimes it is used to denote no more than the setting by governments of general goals for changes in the structure and level of prices and incomes. At the other extreme, the term is used to describe not only the setting of targets or objectives to be attained with the assistance of various fiscal and monetary measures, but also direct attempts by governments to influence or control the fixing of various prices and incomes.<sup>35</sup> It is the latter that we would focus our discussions.

In the United Kingdom for example, the issue usually takes various forms but mainly two principal-norms have always been experienced on since 1965. They have been geared either to the claims of social equity or to those of industrial efficiency.<sup>36</sup> An equity-based policy is usually associated with flat-rate norms, for example, the £6 per week limit introduced between July 1975-July 1976.<sup>37</sup> While an efficiency-based policy recognizes the tenet of linking wage increases with productivity growth, a sort of indexation.

This was the norm in operation in the United Kingdom in 1973/74. It is often expressed in percentage terms.

Given that prices and incomes policy instrument is fast becoming a regular "tool" in the armoury of most governments in particular developed countries, and in recent years the developing nations have been showing a great deal of interest, one might ask what actually do they hope to achieve with this policy instrument? In other words, what are the main objectives for prices and incomes policy.

(a) Objectives

Broadly, various government might have different range of aims or purposes for the introduction of a prices and incomes policy in the midst of the traditional fiscal and monetary instruments. Some of the reasons might be geared towards winning the macro-economic policy 'battle' such as acute unemployment as well as balance of payment difficulties.

However, there appear to be three distinct objectives for the introduction of prices and incomes policy by most governments, particularly when in balance of payment difficulties, and these include: firstly, the anti-inflationary objective. The rationale of this aim being the instrument to be used as a vehicle for slowing down the rate of rise of money incomes with a view to reducing the pace of price increases and to raise out-put. This objective presupposes that money

incomes - that is wages, rents, profits and interests are the main "factors" behind high inflationary tendencies in an economy. That to reduce prices generally and raise output, wage and related money incomes have to slow down or be kept in line with productivity increases.

The second objective for prices and incomes policy is to achieve "equality" among employees regardless of their position, and their bargaining potential in the pay hierarchy. That in all and all no group of workers should be singled out for preferential treatment. In other words, prices and incomes policy is being used here as a vehicle for achieving an equitable income distribution. With the view to narrowing the incomes differential gap between the various groups of employees. Particularly, the differentials between the skilled and unskilled manual workers, as well as the rural and urban differentials.

The third and perhaps the most important objective for the introduction of prices and incomes policy is to improve pay structure in the interests of efficiency, high productivity and more stable industrial relations. The objective presupposes that with improved pay system, workers would have the incentive to work more effectively and efficiently and thereby increase productivity. Furthermore, it is believed that an improved pay structure would create a peaceful industrial relations atmosphere - no strikes and lockouts, since workers would

have no grounds to foment industrial strife.<sup>38</sup>

A striking point about these objectives worthy of comment is that, in recent years, most governments, have tended to place primary emphasis on the anti-inflationary objective, with a certain weight on efficiency.

Emphasis on equity has been gathering less momentum probably because of the fact that what is "equitable" is very difficult to judge both in the concept of social justice and in the practice of regulating conflicts between interest groups. And secondly, in recent years political power of unions is fast diminishing because of series of labour legislations which in most cases are often designed to shift the balance of industrial power. This "swing" in favour of anti-inflationary objective tends to highlight the seriousness which modern industrialised governments attached to inflation.

The problem is that it is not quite clear whether the foregoing objectives or aims would necessarily be the same reasons for the introduction of prices and incomes policy in the developing countries. Would these developing countries have different objectives considering their more vulnerable economies? Or would the aims/objectives be similar as in the developed countries? Surely, answer(s) to this question would be provided as we attempt to examine the situation in Nigeria a developing country.



In Nigeria, formal prices and incomes policy is a very recent development as with many other developing countries. However, some of the reasons for its late development when the other mechanisms for wage determination have had early development in the country are discussed below. For example, the concept of collective bargaining started during the colonial administration in the late nineteenth century - the Anglo-saxon model: though it was not so successful because of the imperfect nature of the Nigerian labour market then.<sup>39</sup> Also within the same period in 1942, the current main mechanism for wage determination in the country particularly in the public sector - wage commissions or arbitrations - was introduced.

Some of the possible factors for the late development of the prices and incomes policy it is argued include: firstly, the government's perception of the whole 'question' of prices and incomes policy which seems to suggest two things. First, a certain degree of uncertainty of the desirability and effectiveness of such a system; and secondly, 'scepticism' in respect of its success. The element of scepticism arising from the fact that Nigeria has never had an articulate and deliberate incomes policy that would make "relevant data" available which to great extent the 'subject' depends for its success. The urge for an incomes policy reached its climax in the Second National Development Plan (1970-74), following Morgan's Wage and Salaries Review Commission recommendations in 1964. The plan notes:

"In an increasingly sophisticated economy, the absence of an incomes policy can negate other developmental efforts and engender social frustrations. Two important national objectives in the present plan are the active promotion of a great and dynamic economy on the one hand, and the establishment of a just and more egalitarian society on the other. The simultaneous pursuit of economic growth and distributive equity cannot be successful without a carefully formulated incomes policy. Some of the social dilemmas in the development process of Nigeria can be traced to the absence of an observable incomes policy."

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Following this concern for an incomes policy, the 'Adebo Wages and Salaries Review Commission' made specific proposals for the establishment of a national productivity, prices and incomes board which will be responsible for the establishment of 'norms and guidelines' in all sectors of the economy. The government's response as enshrined in the White Paper on the Adebo Commission's report was one of "great discouragement. It noted:

"These recommendations require further detailed study and closer examination in order to ensure the success and effectiveness of any body that may be set up. Further consultations would also need to be undertaken with employers, the trade unions and other sections of the community before the far-reaching changes envisaged under the NPPIB can be effectively introduced."

41

Moreover, when the issue of incomes Policy was further taken up in the first progress report of the Second National Development Plan the government noted once more:

"The whole question of incomes policy requires a more detailed articulation. Any serious and effective incomes policy requires adequate statistical categories of income in the economy, and an overall distribution of income between persons and groups. Such data are not get available in the country and in their absence, it is difficult to articulate and implement a well seasoned incomes policy". 42

This last official statement further reinforces that the government had no keen interest in the establishment of such a mechanism.

The second possible reason for the late development of the prices and incomes policy might be due to the fact that twenty years after political independence wage-earners still account for 7-8 percent of the work force or 3.45 percent of the population (in 1980). And since prices and incomes policy acts on prices, incomes, profits and interests and has very little to do in 'kind' or with agriculture the authorities might have felt that the need was not an urgent one.

Thirdly, the authorities believe in the effectiveness of the traditional policy instruments - fiscal and monetary, - regarded as panacea for all macro-economic problems by most developing governments might be a significant contributory factor. Finally, it is only of recent that most developing governments perceive inflation, unemployment and related macro-economic objectives as serious economic problems, hitherto they were never thought of as problems since most of these governments

were quite unapprehensive of their impact on the economy. Surely, the foregoing reasons might not look so plausible and convincing because of deficient of empirical backing (particularly with respect to the last two points), but it does not diminish the fact that they in association with other forces are responsible for the late introduction of prices and incomes policy in Nigeria.

Government's intention for a formal prices and incomes policy was made in 1975 during the launching of the Third National Development Plan 1975-80. Hitherto, there was no formal prices and incomes policy though a lot of moral suasion had been in practice. This new policy instrument was spelt out in the following government statements.

"During the plan period, the income review process will be institutionalized by the establishment of a permanent agency for the continuous evaluation of trends in incomes, prices and costs of reliable basis for the review of wages, salaries and taxes in the public and private sectors of the economy."

43

As a testimony to its commitment to the above policy objective, the government promulgated a Decree in 1976 called the Productivity, Prices and Incomes Board Decree No. 30. This Decree established what is known today as the Productivity, Prices and Incomes Board (PPIB), the main machinery for the prices and incomes policy in the country. The creation of this Board became inevitable,

firstly, because of the pressure of wage inflation on the economy which assumed alarming proportions immediately following the 'Udoji Wages/Salaries Review Commission Awards 1974/75. For instance, the consumer price index for the lower income group rose by 33.5 percent in 1975 with a modest change in the succeeding year 1976 to 22.0 percent.<sup>44</sup> Table 15 depicts further the movement of income and prices during the years.

Secondly, the creation of (PPIB) was in part due to the gradual fall in industrial production. For example, in 1977, the overall index of industrial production increased by only 3.7 percent as against an increase of 19.0 percent in the preceding year. Similarly, the output of selected number of agricultural commodities declined by 22.7 percent compared with a decline of 5.5 percent in 1976.<sup>45</sup> The main function of the productivity, prices and incomes board was to advise the federal and state governments on national incomes policy.

#### (b) Features

The significant features of the Nigerian Prices and Incomes Policy are firstly its introduction as an anti-inflationary instrument, The assumption being that by controlling domestic prices and incomes urban inflation can in turn be greatly reduced. Secondly, the implicit policy of narrowing the gap between the high and lower income groups. Here, there is a consensus among the authorities that incomes policy (which tends to affect the

incomes of those in the high grade salary level mostly), would help to narrow the income gap between the high and lower paid workers as incomes redistribution instrument. It might be argued however, that the success of this policy depends to some extent on how it is applied, because if not properly applied it may become counter-productive.

Thirdly, an effort to improve labour productivity. The linking of productivity to incomes policy is of great importance in Nigeria because of the gradual fall in labour productivity in recent years in the country. Finally, there is an attempt at some degree of wage indexation (that is the linking of wage increases to price increases), though this has not been very successful because of the periodic wage commission awards which in themselves cause consumer price indices to rise to alarming rates. With the result that attempting to link pay (already excessively awarded) with cost of living index in similar note would only mean adding more "fuel" to a furnace, hence the less emphasis on it. In any case, the purpose or aim does not depart from the characteristic objective of most incomes policies which is to slow down wage increases relative to price increases.

The question then is how effective is it as a mechanism for determining wage rates in Nigeria? Surely, to provide coherent answer(s) to this type of question demands firstly a great deal of statistical information, which unfortunately is not available here. Secondly,

inference of this nature should be for a longer period of time in order to provide good basis for comparative analysis. Again, the few number of years prices and incomes policy has been in operation in Nigeria (1977-80) constitutes another problem. Infact, this latter point accounts partly for the spatial treatment so far, and might as well affect succeeding analysis. As a new policy instrument still in its embryonic stage it would be difficult to present a detailed account of its operation, more time is required for proper evaluation and assessment to be made. However, an examination of the year 1979/80 in which information was available and in which the new policy had its first full-year operation would be illuminating.

The type of incomes policy in operation in Nigeria is based on an amalgam of equity and efficiency, with greater emphasis on efficiency - which as noted earlier - recognizes the principle of linking pay increases with productivity. Prices and incomes policy prescriptions are usually designed to cover both the public and private sectors. In the public sector for example, there is the government appointed (ad hoc) wage commissions; while in the private sector collective bargaining process is the main mechanism. The pay policy in operation in 1979/80 could be described as efficiency-based because the 'norm' was expressed in percentage terms and related to output.

The prices and incomes policy guidelines which were spelled out during the 1979/80 budget speech under section 'E' entitled income policy prescriptions specified; that

"there should be no increase in the salaries, wages and fringe benefits of employees in grade levels 07 and above in the public sector as well as those on similar grades in the private sector. But because car basic allowance of N600.00 Naira to employees in the public sector had been abolished, 50 percent (N300.00) of the allowance would be added to their salaries on a once-and-for all basis. For other categories of employees in both public and private sectors they would receive 10 percent salary increase during the year."

46 A

The above statement implies that workers in both public and private sectors on salary grade levels 07 to 17 (that is from the executive officers EOs to Permanent secretaries) in the public sector and those on similar grades in the private sector for the year 1979/80 had no wage increases at all. While the low-paid workers in both sectors mainly the unskilled and semi-skilled received 10 percent wage increase.

With respect to professional incomes, it was stressed that for the fiscal year 1979/80, there should be no increases in remunerations - fees, allowances, and other perquisites in cash and kind - for non-executive members of the boards in both private and public sectors. That remunerations paid to non-executive board members should be subject to withholding tax of 12-5 percent for professional services - architects, estate-managers, as well as fees, and retainers paid by public and private organizations and scale rates were all pegged at the preceding years level.



As for dividends, the guideline provides that with effect from the 1979/80 fiscal year, companies should not declare nor distribute dividends in excess of 50 percent of its after-tax profit in any one financial year. In addition, companies were instructed to submit information relating to equity capital-scripts issues, changes in equity capital, total dividends distributed between 1976/77 and 1978/79 and their reserves to the PPIB (Productivity, Prices and Incomes Board) charged with the responsibility of monitoring the progress of these measures. As a back-up to the actual enforcement of these measures some legislations were proposed.<sup>47</sup>

Finally, with regard to prices, the guideline provide that: 'importers of heavy industrial machinery should not mark-up their resale price by more than 25 percent of the landed cost. Secondly, that the rates, fees and commissions charged for advertisements in the media and by advertising agencies retain their preceding fiscal year prices. Thirdly, that importers/dealers in motor spare-parts should not apply a factor of more than 2.5 percent to the C.I.F. (Cost, Insurance and Freight), instead this should be arrived at by adding the approved local costs. Fourthly, that increases in prices might be allowed only on condition that a company could not absorb increases in cost without undesirable consequences to it or that a company had not contravened that provisions of the 1978/79 and 1979/80 incomes policy guideline. Lastly, that establishments granting increases in salaries, wages and fringe benefits to their employees should not pass on

the increase to consumers through higher prices.<sup>48</sup>

Over the question of its effectiveness as a mechanism for wage determination in the country, we did argue earlier that owing to the fact that prices and incomes policy was a new development in Nigeria and coupled with paucity of data, measurement of its performance and effectiveness would be difficult. However, available evidence though fragmentary in 1979/80 in respect of its performance suggests that pay and price increases moderated, as a result. For example, in January 1981, the annual rate of domestic inflation dropped from over 35 percent in 1980 to 24.1 percent.<sup>49</sup> Pay settlements in the private sector were within the government national minimum wage limit of N120 Naira per month for the unskilled and semi-skilled. Hitherto, the private sector employees (unskilled) were paid ten percent higher than their public sector counterparts. In addition, rents were kept at the 1979/80 fiscal year guidelines particularly in the Lagos metropolis.

Furthermore, this fragmentary evidence seems to suggest that if the authorities were to tackle prices and incomes policy issues in a more rational manner it could be the ideal policy instrument for the 1980s, that would help Nigeria in its fight against high domestic inflation. Instantly, this invites another question which is: how can the image and the effectiveness of prices and incomes policy be improved in Nigeria as a wage determination mechanism, or as an ordinary policy instrument? Which takes us to the vital issue of 'recommendations' in the next paragraphs.

Admittedly, prices and incomes policy is fraught with difficult problems. Present is the problem of deciding an average norm. The policy-maker usually finds himself in a dilemma, because of the problem of deciding which norm to be recommended for the year in question. Could it be nil norm for the year? or Should a norm of about 2-3 percent be allowed for that year? Secondly, there is the problem of devising machinery for applying the norm and allowing for the exceptions in some way; in particular a decision has to be made on whether the system should be a compulsory system or that based on full co-operation of the other social partners - employers and employee representatives. - Thirdly, there is the problem of deciding what should be done about non-wage incomes, such as those from subsistence farmers in the rural areas, should they be included? Or dropped in the policy. Finally, another problem arises from the multiplicity of points of decision, and the complexity of many of the agreements reached. 50

In addition, to the above problems, there is also the inconclusive debate over the efficacy of the prices and incomes policy as a policy instrument. Some commentators in western Europe have argued that incomes policy has not proved particularly successful in countries where it has been adopted as a policy instrument to stabilize prices. One of such commentators was Saunders who noted that countries that practised incomes policy have not tended to enjoy more price stability than those not using it, citing France and the Nordic countries experiences as an

example, Saunders observes:

"there is no obvious list of successes, that is no convenient group of countries which consistently followed an incomes policy and consistently had significantly more stable prices than the average." §

51

In recent years, similar debate has been going on in the United Kingdom among academics and industrialists. 52

Surely, with the prices and incomes policy entangled in this 'web' of problems and uncertainty, people might argue whether it is worthwhile recommending it as a policy instrument to a government with which to fight rising prices and income. In any case, since we are most concerned with the plight of prices and incomes policy in Nigeria we shall proceed with the outlining of a set of proposals which it is thought would improve the effectiveness of prices and incomes policy in that country. Broadly, there are a number of positive steps or measures which a government can take in order to create an effective incomes policy to assist in the task of economic development.

Firstly, in this context, it is proposed that the authorities review and if possible establish a new machinery in Nigeria to handle prices and incomes policy issues. The present machinery (productivity, prices and incomes boards) is ineffective because of its advisory role. The new machinery that is being advocated for should be independent body with a wide range of powers particularly disciplinary powers which would enable it to discipline non-

conformers to agreed principles. The new body which may be called 'Pay and Price Commission' should be composed of ten members - government-employers, trade unions and farmers representatives, as well as academics well-versed in industrial relations matters. These members should be part-time members. In addition, there should be five full-time officials who would assist in the running of the secretariat together with some clerical officers whose jobs would be to scan for wages and related data - prepare and have them analyzed for the commission.

The functions of the commission would be:

- (a) "To issue 'guidelines annually in respect of pay, prices and profits for both public and private sectors, for example norms etc.
- (b) To undertake through a standing committee, the review of wages and salaries for both sectors of the economy annually, along the collective bargaining process lines, - thus doing away with the government appointed (ad hoc) wages and salaries review commissions.
- (c) To determine in liason with the various state marketing boards in the federation the levels of producer prices that would be both reasonable from the general economic strategy and acceptable to the farmers as an incentive to higher productivity.

- (d) To monitor all wage/salary settlements for the two sectors, with a view to preventing excessive wage settlements.

This set of proposals represent a departure from the existing frame-work on which current machinery - the PPIB is working. As noted earlier, the PPIB performs only advisory function, with the result that its terms of reference is usually very parochial. Surely, if the new body (machinery) was given all the necessary support - legal and financial by the authorities to perform the above set of functions, the effectiveness of prices and incomes policy in the country might be enhanced. Because it is quite difficult for a government to implement prices and incomes policy very successfully no matter how well organized, and the level of economic activity unless it possesses a powerful 'machinery' through which to implement this policy.<sup>53</sup> More so, in a country like Nigeria where the traditional price control machinery (PCB (Price Control Board) has not been very effective. For in recent years the government has conceded price increases when faced with persistent demands for a price increase by some companies and organized urban traders, hence, the need for the new machinery.<sup>54</sup>

Secondly, it is recommended that the authorities be committed to the process of 're-education' of both trade union leaders and the employers with a view to telling them 'what prices and incomes policy was all about. This is crucial because, firstly prices and incomes policy is a

new development, in Nigeria as in most developing countries, and such re-education process would help to create a gradual awareness among these social partners. Secondly, few educated trade unionists in the trade union movement still perceive prices and incomes policy and its attendant 'guidelines' as a restrictive tool carefully designed to deprive them the opportunity to raise their living standards. Surely, such re-educative process would help to define and put across more perspective to a wider audience the object and nature of prices and incomes policy in the economy as a whole.

Thirdly, the authorities should be as flexible and innovative as possible in its selection of pay norms (that is assuming that the new prices and incomes commission which could have taken care of this issue advocated for was not established). By being flexible we mean, that if a particular 'norm' for example, flat-rate wage increases was adopted for a period of 2 to 3 years and it failed to yield the expected result, another 'norm' such as efficiency-based (e.g. wage indexation) should be tried. In other words, the authorities should not rely on a particular 'norm' over a very long period particularly when such a norm has been observed to be counter-productive. More so, when no one particular norm has been found to be a panacea for the ills of prices and incomes policy. What's more, in the UK for example, in the autumn of 1974 and summer 1975, when it became apparent that the social contract (an understanding that unions would moderate pay demands in return for speedy

implementation of particular social and industrial policies by the Labour administration) was not having any effects on wage-inflation a new pay policy (flat-rate was introduced).<sup>55</sup> Hence the suggestion.

In this Section, we have attempted to examine the 'term' prices and incomes policy and its role as a mechanism for wage determination in Nigeria. As a new development in Nigeria, coupled with paucity of statistical information it was not possible to give an exhaustive treatment of its operation in this role hence, we had to contend with a spatial analysis of its features. In any case, incomes policies, like minimum wages are really 'objectives' with the 'mechanism' being only part of the problem. Difficulties are the constitutional arrangements, criteria and consequences of such policies suggest, as was the case with attempts to introduce the national minimum wages, that these are peripheral to the main problems of wage determination.



FOOTNOTES TO CHAPTER FOUR.

1. In this analysis, the term 'minimum wages' is used to denote those rates which are fixed by a process involving the authority of the state and below which wages cannot legally fall. It does not include the rate fixed through the process of collective bargaining.
2. For a detailed account of the early origins of minimum wage fixing, see the ILO minimum wage fixing machinery: An international study of legislation and Practice Studies and Reports, series D, No.17, (Geneva 1927) and *ibid.* The Minimum Wage: an International Survey Studies and Services D. No.22 (Geneva, 1929).
3. Starr, G., "Minimum Wage Fixing" an international review of practices and problems: ILO Geneva, 1981, p.4.
4. ILO/FRG. - Inter-regional Round Table Conference on the relationship between Labour Law and Labour Relations and Development (Geneva, 1978).
5. *Ibid.*, pp. 8-9.
6. Franklin, N.N., "Minimum-wage fixing and economic development" cited in Smith, A.D., Wage Policy and Economic Development, ILO, Geneva 1969, pp.338-339.
7. Annual abstracts of statistics 1980 edition, published by the Federal Office of Statistics Ikoyi, Lagos.
8. Even, up till now the national minimum wage remains as controversial as ever; the federal government recommended ₦125,000 minimum wage, while the NLC (Central Labour Organisation) is demanding a ₦300.00 Naira minimum wage. For a detailed account see the Daily Times, the Punch and the Daily Star Newspapers issues of various dates in 1978, 1979, and 1980. See also the Adebo Wage Commission Report 1971/72; Chapter III, p.20.
9. For a detailed discussion on this topic see the constitution of the Federal Republic of Nigeria; Federal Ministry of Information Printing Division, Lagos, 1979.
10. Under the Minimum Wage Act 1981, an employer would be deemed to have complied with the Act if he pays no less than ₦125.00 per month to an employee.
11. NECA News - Nigeria Employers Consultative Association, ISSN: 0331 - 06211 September/October 1980, pp. 17-20.
12. *Ibid.*, p.20.

13. Report of the Morgan Wages and Salaries Review Commission, paras, 3,4,6 and 8. (sessional paper No.5 of 1964) Federal Ministry of Information, Lagos.
14. Ibid., p.4.
15. For a detailed discussion see Morgan's report on Wages and Salaries of Junior Employees, 1964, pp.5-10, Lagos, Federal Ministry of Information Printing Division.
16. Trade Disputes Decree No. 7, 1976, see Laws of the Federal Republic of Nigeria, 1976, p.A23.
17. NECA News - Sept./Oct.1980 issue, pp.24-26.
18. Starr, G., - Minimum Wage Fixing (International Labour Office Geneva) analysis of machinery and procedure for fixing minimum wage: 1981, pp.62-72.
19. Fashoyin, T., "Industrial Relations in Nigeria", (Development and Practice). London Longmans Ltd.,1980.
20. Business Times Lagos, Jan. 28 1982, volume 7, No.17. Also see the Nigerian Federal Government Budget speech 1982. Federal Ministry of Information Printing Division, Lagos, 1982.
21. Starr, G., "Minimum Wage Fixing International Labour Studies" (ILO Geneva, 1981, p.63).
22. Abraham, W., "A look at the minimum wage and H.R. 10130" in Labour Law Journal Chicago, 1976, p.132.
23. President Ferdinand Marcos; Strength Through Crisis, Growth in Freedom", State of the Nation Address, Manila, January 24, 1976.
24. ILO/FRG. Inter-regional Round Table on the Relationship between Labour Law and Labour Relations and Development. (Background paper prepared by the International Labour Office Geneva, 1978).
25. The Federal Government comment on the Morgan Wages and Salaries Review Commission Report 1964. Federal Ministry of Information, Lagos, 1964.
26. NECA News - A monthly journal of the Nigeria Employers Consultative Association - Lagos (1st September 1980, (ISSN 0031-6211)).
27. Starr, G., "Minimum Wage Fixing International Labour Studies" (ILO Geneva) 1981, p.109.

28. Franklin, N.N., "The concept and measurement of Minimum Living Standards" cited in the International Labour Review, April 1967. p.284.
29. 'Ocho Passenger' is the name given to daily rated labourers whose job is to scan for potential passengers in a motor-park" for owner-drivers in Nigeria.
30. Some of the arguments put forward by NECA (Nigeria Employers Consultative Association) on some of the consequences of Minimum Wage Fixing NECA News, Lagos, Sept./Oct. 1980.
31. Ibid., p.11.
32. Starf, G., "Minimum Wage Fixing" International Labour Studies (ILO Geneva 1981), p.159.
33. Nigeria Employers Consultative Association News. Sept./Oct. 1980. pp.16-17.
34. For example, there has been considerable experimentation with it in Great Britain since 1948. Similarly, in the Netherlands, the Scandinavian Countries, and in the United States from the KENNEDY and JOHNSON administration in 1962-1966 (See REYNOLD, 'Labour Economics and Labour Relations') Prentice-Hall International 1978, p.228.
35. See the International Labour Office Report on wage determination in English Speaking Countries, ILO/DANIDA Regional Seminar, 1978, pp.22-23.
36. Hawkins, K., "A handbook of Industrial Relations Practice" London Kogan Page Ltd., 1979, p.31.
37. Corina, J., "Incomes Policy; Retrospect and Prospect" Institute of Manpower Studies (IMS) Monitor, Volume 2. No. 4, February 1974. Also see Corina & Meyrick "Incomes Policy in crisis an overview 1973/84" Oxford/Manchester Universities, 1972.
38. For further discussions on these objectives see BLACKADAY, F., "An Incomes Policy for Britain: Proposals and Research Needs" prepared for the National Institute of Economic and Social Research, London, Heinemann Ltd., 1972.
39. See Peter Kilby's Industrialisation in an Open Economy Nigeria (1945-1966). Cambridge University Press 1969, pp.270-275.

40. Federal Republic of Nigeria: second National Development Plan 1970-74, pp.71-72. Also see the second and final Report of the Wages and Salaries Review Commission' 1970-71, p.39.
41. White Paper on the second and final Report of the Adebo Wages and Salaries Review Commission 1970-1971. Also see the first Report of the Anti-inflation Task Force, 1975, pp.66-67.
42. The second National Development Plan 1970-74. First Progress Report. p.35.
43. The third National Development Plan 1975-80. Federal Ministry of Economic Development, Lagos, Vol.1, p.283.
44. Central Bank of Nigeria's Annual Report and Statement of Accounts, December 1976, p.1.
45. See the Central Bank Annual Report and Statement of Accounts, December 1978, Tables 1 and 4, pp.1-9.
46. Annual Report and Statement of Account of the Central Bank of Nigeria, 1979. p.81.
47. See the third National Development Plan 1975-80. Federal Ministry of Economic Development,
48. Central Bank of Nigeria's Annual Report and Statement of Account, 1979. p.66.
49. Business Times International, published by the Daily Times, Nigeria Ltd. Group of Newspapers, Lagos, Jan. 1982.
50. Blackaday, F., "An Incomes Policy for Britain, Policy Proposals and Research Needs." London, Heinemann Books, Ltd., 1972. pp.222-227.
51. Saunders, C.T., "Incomes Policies - What are they an instrument for? Economic Planning and Macro-Economic Policy, Japan Economic Research Centre, April 1971, para, 29. Also cited in Blackaday, F. 'An Incomes Policy for Britain', London, 1972. p.218.
52. See for example, Corina, J. and Meyrick, C. - 'Incomes Policy in Crisis' An overview. Oxford/Manchester University Press 1973-74.
53. ILO/DANIDA Regional Seminar - The current incomes policy - A summary - wage determination in English Speaking Carribean Countries, Kingston, Jamaica. March 1978, p.85.

54. This was the case in 1974.75 immediately after the UDOJI, Wages and Salaries Review Commission Awards.
55. See Prest, A.R. and Coppock, The U.K. economy - A manual of applied economics, London: Weidenfeld & Nicolson, 1976. Table 5.10, p.287. Also see Corina and Meyrick, 'Incomes Policy in Crisis' an overview 1973-74. Oxford/Manchester University Press.

## CHAPTER FIVE

### THE NIGERIAN TRADE UNION - ROLE IN WAGE DETERMINATION, AND MAJOR ORGANISATIONAL PROBLEMS AND SUGGESTED PRESCRIPTIONS.

#### 5.12 Role in Wage Determination

The preceding chapters examined the various mechanisms of wage determination in Nigeria. It was found that the Collective bargaining Process has, inspite of the overwhelming support by successive governments to the 'concept' been very ineffective. The ineffectiveness was attributed to two main factors. Firstly, many employers' displayed negative attitudes towards the trade union 'recognition'. Secondly, the Government's failure to practise voluntary collective bargaining with its own employees, despite being committed to collective bargaining since the colonial era.<sup>1</sup> This chapter sets out to examine the role of Nigerian trade unions in the wage determination process, with a view to discovering the extent to which the unions have been influencing pay determination; and the organisational problems of the unions. Understanding of the trade unions' role in pay determination is essential because, the success or failure of collective bargaining process in an industry depends so much on the bargaining capability of the unions.

The role of trade unions in wage determination process in recent years has been a subject of continuous debate

among academics, particularly economists, from both developed and the developing countries.<sup>2</sup> In this discussion, the writer intends to argue in support of the "School of Thought" which believes that the Nigerian Trade Unions have influenced the wage determination process in the country on the basis of available documentary evidence.

(o) The Debate:

In Nigeria, this debate has taken a new dimension with industrial relations discussion in the past twelve years being dominated by the issue. The argument has been to establish whether the Nigerian trade unions do influence wages and wage levels in the country to any significant extent. In particular, the issue has been whether changes in wage rates have occurred as a result of union pressure brought to bear on the government. Closely associated with the debate are W.M. Warren and Elliot Berge who were later joined in the debate by J. Weeks and Peter Kilby.<sup>3</sup>

The debate has been between two schools of thought; on the one hand, are those writers such as Elliot Berge and J.F. Weeks who argued that Nigerian Unions do not play a significant role in the wage determination process. While on the other hand, are writers such as W.M. Warren who argue that the unions have been playing a major role in

the country's wage setting process. The debate was started by W.M. Warren in 1966, when he wrote that in Nigeria political pressure from the unions between 1939-1960 induced the government to raise wages.<sup>4</sup> The assertion was countered by Elliott Berge who argued that unions political pressure and their effects on wages was very negligible, if such an influence existed during the period.<sup>5</sup> Thereafter, Peter Kilby and John F. Weeks and Robin Cohen later joined in the debate. Kilby tilting to Warren's side; while Weeks adopted Elliot Berge's view.

Weeks argued that the unions have not been playing an active role in the wage determination process arguing that in actual fact, the Nigerian trade unions were impotent, he asserts:

"The fact that the government in power seeks to woo wage earners by raising wages does not by itself imply that trade unions are powerful. The mere existence of an urban wage-earning proletariat unorganised and unauthorised and amorphous, may be sufficient to induce government to sustain real wages out of real or imaginary fears of the violent potential of this group."<sup>6</sup>



Literally taken, Weeks comment implies that unorganised workers in Nigeria possess 'political influence' which can be brought to bear on the government, and hence, force the authorities to review their wages in order to avert possible violence but that the trade unions add little to this influence.

Weeks went on to advance some reasons other than those relating to governmental fear as to how wage/salary increases are influenced. He notes:

"One can build a model of wage determination in the Nigerian context which is consistent with union weakness and the strike pattern (that is, there is a rise in strikes after, and not before, a government award). For humanitarian, institutional, and ideological reasons the government commissions a major review about every five years."<sup>7</sup>

To buttress their argument, the 'school' (Berge et al) further stressed that increases in wages in Nigeria might result from ideological preconception or from moral sentiments, from the ideas on social justice shared by the ruling elitists and not necessarily by union militancy or political pressure.<sup>8</sup>

On the other hand, from the opposing camp Kilby et al, attacked Berge and Weeks on their extremely pessimistic views over the role of Nigerian trade unions in wage

setting issues. This 'school' contends that the Nigerian trade unions have played, and probably still play a vital role in the wage determination process in Nigeria.

Commenting on the issue Kilby argued that:

"Trade unions have played an important role in mobilizing, magnifying and channelizing the discontent of government employees suffering a gradual erosion of their money wage, these union activities have resulted in more frequent wage tribunals and larger awards than would otherwise have been the case. Though such wage increases have not been through joint negotiation or collective agreement." 9

Arguing on a similar line, Cohen stressed that

"Union pressure can be directly linked to the decision of the government to set up nearly all the wage commissions, and that where union pressure was not involved there were either possible or probable reasons for the government's concerned to wish to attract support or deflect dissent from workers and their unions". 10

In summary, Cohen notes that

"the factors that have the most frequent and perhaps most consistent explanatory value when considering wage determination process were those associated with union 'pressure, political sensitivity to potential urban discontent, and attempts to win political support from trade unions (organized group of workers) and their allies especially during elections.' 11

Undoubtedly, these somewhat different views aired by these writers look convincing when viewed in isolation. However, the fact remains that at best some of the writers missed the point at 'issue', and at worst most showed a total lack of understanding of what is involved in Nigerian politics as the critical assessment of these varying views would reveal shortly.

(b) A critical assessment and new sense of direction:

Earlier in the discussion, we did stress that some of these writers views, particularly those of Berge and Weeks, would be further examined. In his assertion Weeks argued that the Nigerian trade unions were 'impotent' as far as wage issues were concerned. He claimed that the mere existence of urban proletariat, unorganized and amorphous, was what induced government to sustain real wages out of real or imaginary fears of sudden escalation of violence by the group and not necessarily because of union pressure.

In the light of this assertion, it is inconceivable that the 'mere existence of an unorganized and amorphous' proletariat alone induced either the pre- or post-independence governments to sustain workers real wages without union involvement directly or indirectly. To begin with, during these periods 1930s/40s that Berge and Weeks were referring to, the colonial governments hardly recognised the existence of 'organised labour' (the early trade unions e.g. C.S.U.) inspite of their

association with the nationalists seen as potential threats to the colonial administration, let alone unorganised labourers squatting around Lagos suburb. The question arises what sort of unorganised and amorphous labour was Weeks referring to? Perhaps, he might have felt that he was referring to that sort of 'unorganised labour' found in the United Kingdom and the US during the same period who were literate and knowledgeable.

Weeks failed to appreciate the fact that the type of unorganised labour he was referring to that might influence the government was mostly illiterate and predominantly rural. It was made up of farmers who were perhaps coming to the urban centres for the first time to enter into wage payment. The only type of job available for this group of urban proletariats was 'domestic work' (servants to colonial administrators) and hence the idea of collective bargaining' was too remote and alien to them. In other words, our argument implies that the so-called amorphous and unorganised urban proletariats of the period were not in a position to pose major threat to the government and induce her to increase wages. What is more, there is hardly any evidence to date to suggest that either the pre- or post-independence governments (Federal or State or Regional), have tried to 'head off' social discontents through bypassing the unions and appealing directly to the so-called 'urban masses'.

Furthermore, one can hardly understand the philosophy behind Weeks' assertion of trade union 'impotence' during

this period particularly in the 1940s when in actual fact the tremendous courage and determination shown by the unions during the period have never been exhibited since then. For instance, the first wage committee set up by the colonial government in November 1941 was as a result of trade union agitation over 'Cost of Living Allowance' commonly referred to as 'War Bonus'. The committee which was chaired by Mr. A.F.B. Bridges, Senior District Officer then, had the following terms of reference:

"To consider the adequacy or otherwise of the rates of pay of labour, and of African government servants and employees in the township of Lagos, having regard to any increase in the cost of living which may have occurred since the outbreak of war, and to make recommendations as follows:

- a. Whether a temporary increase by way of bonus or other addition to pay should be made.
- b. Whether any other form of relief is desirable, such as, for example:
  - i. Free meals at work,
  - ii. Provision of good cheap meals on purchase,
  - iii. Stricter price control,
  - iv. Rent restriction, and
  - v. Provision of quarters or assisted schemes for tenements".<sup>12</sup>

Following the Committee's deliberations the following salary increases were recommended. For example, officials who were earning £1.14s. per day or mensem was to have their pay rate increased to £2.12s. per mensem; while those earning over £4.00 per mensem (£48 per annum) was to have an increase in pay of £2 per mensem (£72 per annum).<sup>13</sup>

In addition, but for the union pressure, the 1945 general strike caused by the unwillingness of the government to honour its pledge following the COLA awards (above) could not have taken place, and later resulted in the setting up of another wage commission - the Tudor Davis Commission of 1945. The commission after reviewing both the price level and the government offer of 20 percent which the unions thought was too small after the strike had been called off made the following fresh recommendations that:

- "1. The cost of living allowance existing in July 1945 be increased by 50 percent with effect from the various dates on which work was resumed after the general strike;
2. the 50 percent award should apply not only to African earning £220 per annum per annum or less but also to the special allowances paid since October 1944 to African employees, those salaries were over £220, except for those receiving local allowances because they held superior posts;
3. although the future cost of living allowances payable under (1) and (2) would be payable together with the future wages in the normal way, the retrospective cost of living allowances which were payable under (1) and (2) should be paid to the African civil servants by being credited to them in post office savings accounts or in bank accounts or in the various treasuries from which they drew their pay;
- 4, the award should remain in force until a new wage structure was set up by a team of statistical officers and nutritionists which should set up within two years' from the date of the report."

These recommendations no doubt helped to increase both the wage rates as well as the working conditions of the African workers during the period. Moreover, in the post-independence years 1960s and 1970s, over seventy-five percent of government wage commissions have been commissioned through union pressure brought to bear on the government.

An example of such union pressure which has resulted in the setting up of a wage Commission in the 1960s was the 1964 general strike. The main cause of the 1964 general strike which did not involve actual 'physical withdrawal of labour but a 'sit-down strike or work to 'rule' was a claim for wage increases made by the Zudonu committee report forwarded in 1961 by the Trade Union Congress of Nigeria. Following this uncompromising attitude of the government even after series of deputations by the trade unions, a representative meeting of all registered unions which convened in Lagos on September 12, 1963, recommended two actions. The first was the setting up of a Joint Action Committee of Nigeria trade unions to pursue the wage demand and the second was a general strike to be called on September 27, 1963, if their demand was not met. To contain the strike the government appointed a six-man commission of enquiry headed by Mr. Justice Adeynika Morgan, to investigate: the existing wage structure ... and to make recommendations.<sup>15</sup>

Additionally, in 1974/75 'union pressure' was again in evidence following the release of the Udoji Wages and Salaries Review Commission awards which treated some categories of workers such as the medical doctors less favourable than others. Because of this unfavourable

'award' to the medical doctors the Nigerian Medical Association protested very vehemently and threatened to withdraw their services if the government failed to increase their wage awards. Following this protest, the government was forced to grant 40 percent interim award to the medical doctors. However, realising that the doctors had been granted a further 40 percent award, there was a wide spread protest and demand for similar wage increases by workers from all sectors of wage employment in the country. This development forced the federal government to grant additional 30 percent wage increase to all public servants irrespective of their current earnings.<sup>16</sup> Consequently, government strategy of harmonising private and public sector wages was seriously affected.

Furthermore, in recent years, union pressure on government for improved working conditions, fringe benefits and good wages has been on the increase. For example, on 22nd July 1980, at the Nigeria Labour Congress's 17th meeting of its National Executive Council, the NLC demanded from the government the following issues: Firstly that

- a. employers of labour including the governments, procure and guarantee car loans from banks for their employees who qualify for such loans;
- b. employers of labour including governments should absorb any interest on such loan above 5 percent and
- c. employers of labour including governments should restore fully car basic allowances.

Secondly, that the national minimum wage be increased from ₦100 to ₦300.00 per month for all the workers in the federation.



Thirdly, that the minimum pensions should not be less than the national minimum wage at any given time. During the time of the demand minimum pension was ₦33.00 per month.<sup>17</sup>

Although these demands were not immediately met by the government but they did influence the government's decision on the various issues. For example, because of the 'union pressure' the government was forced to increase the national minimum wage from ₦100.00 to ₦125.00 per month. And at present, the NLC's (Nigeria Labour Congress) demand for ₦300.00 per month national minimum wage is still ranging. On the basis of the foregoing evidence it is argued, that the assertion of union 'impotence' by Weeks seems unfounded.

(c) Conclusion

All and all, taking these somewhat different views into consideration, it is strongly argued that the Nigerian unions have played a significant role in the wage determination process in Nigeria, though they have not succeeded in bringing about such wage increases through their own round table by intensive negotiation as in the UK and the United States. However, as far as the debate is concerned, the writers have missed the core issue about the unions role in wage determination. For even the ordinary man in the street of Lagos is fully

aware that seventy-five percent of the government 'wage commissions' which later recommend workers wage rates and other conditions of service were all commissioned as a result of union pressure on the government.<sup>18</sup> However, what is exactly not clear is the sort of influence the unions have or exert on the tribunals and their final recommendations. For example, it could have been interesting to know if unions can through their pressure force the wage tribunals to divert from their original intended wage recommendations in order to please the workers.

It is on this basis that we argued that the debate should have been to establish

'whether the Nigerian unions have influenced (or have been influencing) the decisions of the wage commissions which they 'bring into being' in terms of levels of wage increases; instead of the relatively broad issue of unions role in wage determination.'

There is no doubt that a debate alone this specific area would have been academically stimulating, as well as providing compelling arguments of general interest.

In summary, it is argued that the assertions by such writers as Berge and Weeks that the Nigerian unions do not have powers with which to influence wage rates amply demonstrated a lack of understanding of what is meant by unions' political power.

### 5.13 Major Organisational Problems and Suggested Prescriptions

The preceding section examined the role of the Nigerian trade unions in wage determination process. It was argued that the trade unions have played a significant role in the wage determination process in Nigeria though such wage increases were not secured through "round table" negotiation. This section will examine some of the major problems facing the unions. In addition, some suggestions will be put forward to reduce or eliminate the problems of the movement, and to enable them play a more effective role in the wage determination process whether through political action or collective bargaining.

The Nigerian trade union movement consists of voluntary independent organisations, and, as with many other countries particularly the developing ones, its organisational problems are many and fairly intricate. These problems can best be classified into two broad headings thus -

(1) the primary or basic problems; and, (2) the secondary problems. The primary problems are those problems which are a reflection of the characteristic feature of the traditional or pre-industrial societies.<sup>19</sup> These problems include:

- (a) Lack of adequate funds.
- (b) Abuse of office by trade union officials.
- (c) Rivalry between trade union leaders, and
- (d) 'Poor' education.

The secondary problems are those problems common among democratic organisations in all societies. These include:

- (a) Growing apathy within the membership of trade unions;
- (b) Problems of union multiplicity;
- (c) Employer attitudes towards trade unions.

Part of the researcher's field work in 1981 was aimed at obtaining by way of interview with office holders an impression of the present position.

The introduction of a new national labour policy in 1975 demonstrated how deeply concerned the government has been over these problems. Some of the objectives of the new labour policy include:

- (a) "The need to give a new sense of direction and a new image to the trade union movement in Nigeria;
- (b) the desirability of removing completely from the trade union arena ideological or external influences which have plagued Nigerian trade union unity for more than a quarter of a century;
- (c) the need to rationalise the structure and organisation of trade unions and to ensure that they are self-sufficient financially in future, and not dependent upon foreign sources of finance, and
- (d) the need to provide facilities for trade union education in order to improve the quality of trade union leaders and the general knowledge and understanding of the purposes of trade unions by the rank and file members of these organisations".

Suggestions on how the government can set about attaining the above objectives to effectively reduce or eliminate these major problems faced by the labour movement are discussed at the end of this section.

However, to understand the nature of both primary and secondary problems it is necessary to analyse the growth and structure of Nigerian trade union.

### The growth and structure of Trade Unions in Nigeria.

#### Background Information

The growth of trade unions started immediately after the trade union ordinance of 1938 (discussed earlier in the text) which legalised trade union activities in the country. Following the 'ordinance' various types of organisations including those which were not qualified to be accorded trade union status such as the organisation of self-employed and various ethnic/tribal clubs were registered as trade unions. The employers association were also registered under the ordinance.

The net effect of this 'free for all' registration exercise was half a century of trade union proliferations. In an attempt to get the situation under control, the government enacted the Trade Union Decree No.31 of 1973. The Decree among other things stipulated for the deregistration of unions as well as for the amalgamation or mergers and takeovers of smaller unions into a bigger and more viable organisations capable of ensuring self-sufficiency

financially. The Decree also contained a provision which empowered 'fifty' workers to be registered as a trade union. This last provision encouraged the growth of small, 'mush-room' unions, to the extent that by the time the 'administrator' of trade unions appointed in 1976 to look into trade union activities started work in early 1977 there were more than 1,000 unions in the country.

As the military government was determined to rationalise the structure and organisation of trade unions, in December 1978, it promulgated the trade unions (Amendment) Decree No. 22, 1978. This Decree stipulated stricter provisions for the registration of trade unions. Contained in the Decree was the list of registered and recognised trade unions selected on the basis of the Administrator of trade unions' recommendations. The structure evolved seventy national unions and associations for labour, management and employers; made up of 42 industrial unions, 9 employers associations, 15 senior staff associations and 4 professional associations. It is worthy to note that in Nigeria, when defining the term 'trade unions' for legal purposes that the term usually include the employers as well as other professional associations.<sup>21</sup> The position is in sharp contrast with the United Kingdom, where Section 28 of the Trade Union and Labour Relations Act, 1974 defines the two types of organisation.

In Nigeria, the growth of registered trade unions has been quite dramatic. From a mere fourteen registered<sup>22</sup> trade unions with a total membership of 4629 workers in

1940, the movement had grown to 946 unions (total number of merging unions) with membership of estimated 837375 workers by 1978, as table 16 depicts. Taking the 1975-80 estimated employment figure of 1,500,000,<sup>23</sup> 56 percent of employees in establishments employing ten or more employees were members of a trade union. Table 16 further reveals that since 1940, that the number of trade unions has been rising steadily, particularly in the 1950s, though with very little corresponding increase in union membership.

Trade union structure can be analysed from two angles: first from the 'size' of the union; and secondly the trade union 'type'.

Taking first of all the size of the unions, the aggregate membership of trade unions in Nigeria at the end of 1978 was estimated to be 837375 (Table 16), and appendix D. This was 81420 members more than the total at the end of 1975. Although statistical information for the years 1980 and 1981 were not available in the federal office of statistics during our enquiries, aggregate membership of the trade unions for the periods should be below one million, as one statistics officer noted. The trade union structure as enunciated in trade unions (Amendment) Decree No.22 1978, of seventy national unions, and association consisting of 42 industrial unions, 9 employers associations, 15 senior staff associations and 4 professional unions (discussed earlier in the text) remains the 'structure' to date (appendix D).

Table 16. The Growth in Union Numbers and Membership  
in Nigeria. 1940-1978.<sup>1</sup>

Date	No. of Unions	Total membership	Date	No of Unions	Total membership
1940	14	4629	1961	402	281124
1941	27	17521	1962	435	324203
1942	80	26275	1963	502	352790
1943	85	27154	1964	551	577911
1944	91	30000	1965	615	519000
1945	97	41000	1966	631	520164
1946	100	52747	1967	674	530000
1947	109	76362	1968	696	540000
1948	129	90864	1969	721	550000
1949	140	109998	1970	809	600000
1950	144	144387	1971	873	655215
1951	129	152230	1972	949	816382
1952	131	143282	1973	1077	843509
1953	152	153089	1974	1043	775280
1954	172	165130	1975	1008	755955
1955	232	175997	1976	1170	881198
1956	270	198265	1977	N.A.	N.A.
1957	298	235742	1978	946	837375
1958	318	254097			
1959	347	259072			
1960	360	274126			



Explanatory Notes:

1. The figures reflected here are the available statistics to date

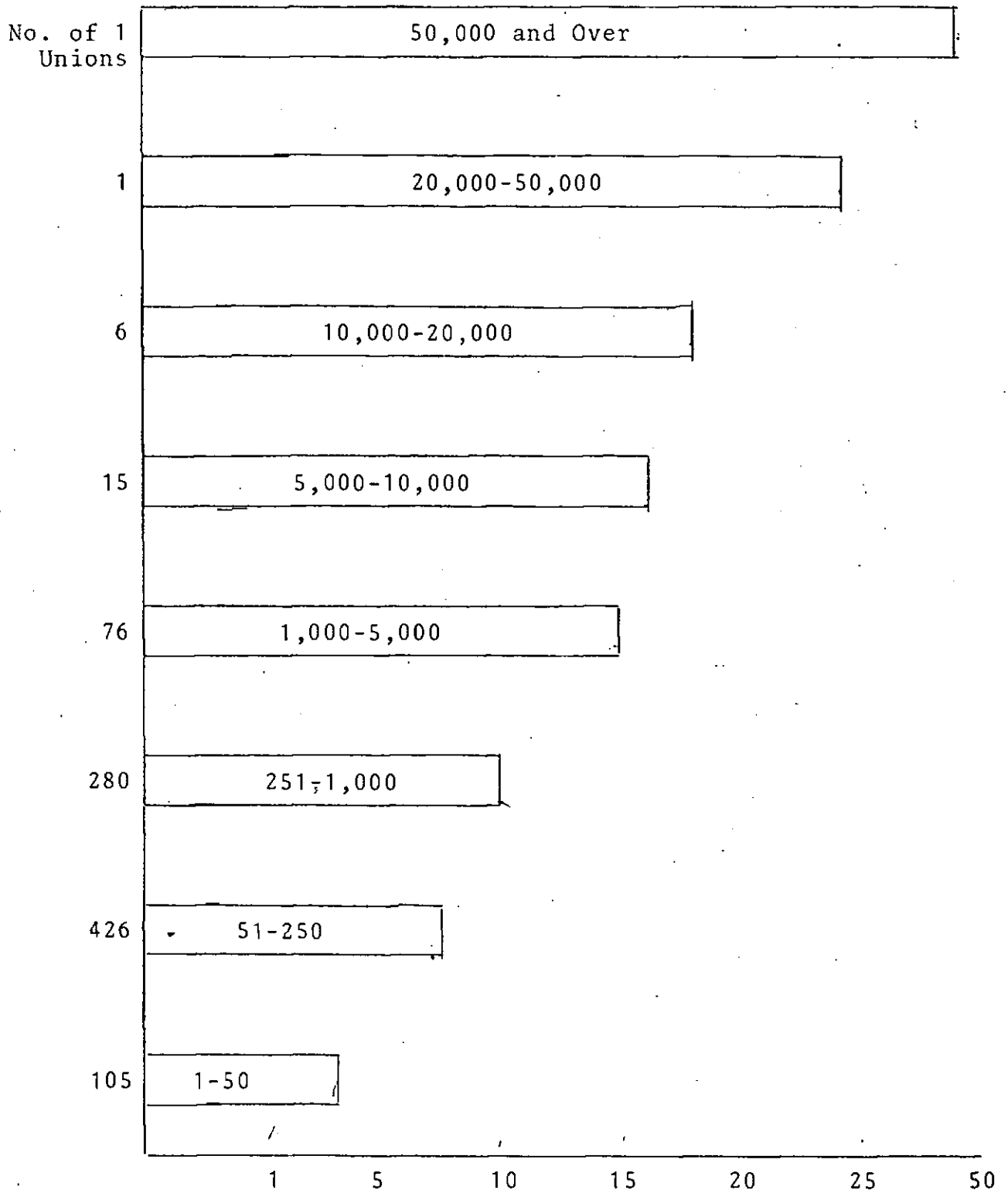
Sources:

1. Federal Ministry of Labour (now Employment and Productivity) Annual Reports various years.
2. Amucheazi, Et. al., Readings in Social Sciences, issues in National Development: Enugu, Fourth Dimension Coy Ltd., 1980.

In figure 3, unions are grouped according to the number of members and numbers of unions that make up such grouped numbers. It can be seen from figure 3, that unions organising less than 1,000 members accounted for 85 percent of the registration; while over 50 percent of all unions have less than 250 members. In contrast, the largest unions with 50,000 or more members accounted for less than one percent of the total membership of unions.

When compared with a country such as the United Kingdom, a different picture emerges immediately. The United Kingdom has fewer trade unions (at least before December 1978), a higher proportion of trade union membership. For example, in 1980, the aggregate membership of trade unions in the U.K. was nearly 13 million<sup>24</sup> (12,946,578 to be precise), with a total of 438 trade unions. While in Nigeria there were over 900 trade unions with total membership below a million in 1975. As for the trade union membership distribution, the differences between the U.K. and Nigeria becomes even more apparent as Table 16.1 depicts. It can be seen from the Table that at the end of 1980 there were 280 unions each with fewer than 1,000 members, including 187 with under 500 members. These 288 small unions together accounted for a little over one percent of the total membership of all unions. While the 25 largest unions such as the TGWU and the AEUW each with over 100,000 or more members together accounted for 79.4% of the total membership of all unions. Table 16.2 shows the number of trade unions and the aggregate membership at the end of each year for the

Figure 3: Trade Unions - Numbers and Membership,  
End 1976<sup>1</sup>



Explanatory Note:

1. The only comprehensive trade union numbers and membership distribution statistics to date.

Source:

Federal Ministry of Labour records of the register of trade unions 1976.

Table 16.1. Membership of Trade Unions At the End of 1980, by Size and Number in The United Kingdom.

Number of members	Number of unions	Total membership (1000)	Percentage of	
			No of unions	Membership of all unions
Under 100	69	4	15.8	0.0
100-499	118	28	26.9	0.2
500-999	45	32	10.3	0.2
1,000-2,000	56	88	12.8	0.7
2,500-4,999	39	140	8.9	1.1
5,000-9,999	25	167	5.7	1.3
10,000-14,999	7	82	1.6	0.6
15,000-24,000	21	392	4.8	3.0
25,000-49,999	19	725	4.3	5.6
50,000-99,999	14	1,024	3.2	7.9
100,000-249,999	15	2,518	3.4	19.5
250,000-& more	10	7,749	2.3	59.9
<b>Total</b>	<b>438</b>	<b>12,947</b>	<b>100.00</b>	<b>100.00</b>

Source:

Department of Employment Gazette February 1982,  
Volume 90, No.2, (special feature) pp. 54-55.

past ten years. The table reveals that trade union membership has been on the increase since 1972 although union membership fell by 3.7 percent in 1980. The table also shows that the number of trade unions declined by almost 4 percent between 1979 and 1980 from 456 to 438. The picture here contrasts sharply with the situation in Nigeria where until 1978, the trend was vis-visa- - low union membership but a significant increase in union numbers (table 16). On Table 16.2 in the UK, the average membership per union increased from 20,000 in 1970 to almost 30,000 in 1980.

#### Trade Union Types

Another way of looking at the structural features of a trade union is by examining the union 'types' existing within a country. As explained earlier in the text, in Nigeria, the term 'trade union' is used to cover those other organisations in the 'labour relations' such as the employers and professional associations. In Nigeria, prior to 1978, trade union 'types' were classified by the federal government authorities in accordance with the categories of workers that make up such membership. On this basis, trade unions were usually classified into Craft Unions, Industrial and General Unions. Also included were the employers and the various unclassifiable organisations that were allowed to be registered under the Trade Union Ordinance of 1938. Table 16.3 shows the trade union 'types' operating in the country before 1978; while

Table 16.2: Changes in Numbers and Union Membership  
1970-1980 in the United Kingdom

Year	Number of unions at the end of year	Membership at the end of the yr(000)		Total	Percentage change in membership since previous year
		Male	Femade		
1970	543	8,444	2,743	11,187	+6.8
1971	525	8,382	2,753	11,135	-0.5
1972	507	8,452	2,907	11,354	+2.0
1973	519	8,450	3,006	11,456	+0.9
1974	507	8,586	3,178	11,764	+2.7
1975	501	8,729	3,466	12,193	+3.6
1975*	470	8,600	3,427	12,026	-
1976	473	8,825	3,561	12,386	+3.0
1977	481	9,071	3,775	12,846	+3.7
1978	462	9,238	3,874	13,112	+2.1
1979	456	9,545	3,902	13,447	+2.6
1980	438	9,156	3,790	12,947	-3.7

Source:

Same as Table 16.1. Department of Employment Gazette  
 February 1982, Vol.90, No.2.

table 16.4 reflects new changes since the 1978, trade unions (Amendment) Decree No. 22, which re-structured the entire trade union structure.

#### THE CRAFT UNIONS:

Like most craft unions elsewhere in the world for example in the United Kingdom, the Nigerian Craft Unions were mainly interested in craftsmen, hence they tended to organise all employees in a single or related occupations irrespective of the industry in which they were employed. Examples of such unions then in Nigeria were: the Union of Survey and Draughtsmen, the All Nigeria Union of Electrical and Allied Employees; the Western Nigerian Painters Union; and the various carpenters and mason unions.

#### INDUSTRIAL UNIONS:

The next type of union was the industrial union - which constituted 46 percent of the total union membership in 1971. The industrial unions were by far the largest group of unions. This group of unions recruited all employees in a particular industry or service regardless of their grade or occupation. Infact, most of the 'industrial unions' were really 'in-house' or company unions. It is worth emphasising, however, that, the phrase 'company union' or enterprise union as used in Nigeria does not necessarily mean a company dominated union, rather it is so referred to because it was a union organised within a single firm or an employer.



Table 16.3. Types of Registered Organizations Jan-1970-September 1971 in Nigeria (in percentages)

	%
Employers' Organisations	5
Craft Unions	19
Industrial Unions	46
General Unions	1(3)
Guilds	27 <sup>1</sup>
Unclassifiable	2
	100.00

Explanatory Notes

1. This figure includes various Drivers' Unions which are difficult to classify because of the variation in partownership.

Sources:

Cohen, R., Labour and Politics in Nigeria (1945-1971) Table 4.3 London: Heinemann Ltd., 1974, p. 118; Also see Damachi, U.G., et. al., Industrial Relations in Africa, London: Macmillan, 1979, Table 5.5, p. 179.

In the business of wage negotiation, house unions usually channelled their 'demands' to the employer through the 'central labour organisation', and more often than not preferred their representatives to be 'federation officials' instead of their own local officials. Examples of such unions then include:

Akere Dock Workers, Union,  
 Niger Benue Transport Company Workers' Union,  
 Berec (Nigeria) Limited Workers' Union,  
 Ibru Group of Companies Workers Union of Nigeria,  
 Bakare Workers' Union,  
 Decca and Allied Workers' Union and  
 Omo Sawmill Workers Union.

Among the industrial unions were the Railway and Ports Workers' Union, and the Amalgamated Tin Miners of Nigeria African Workers Union.

#### GENERAL UNIONS

This group of unions constituted only approximately one percent of the total union membership. These unions recruited any workers irrespective of the industry or occupation in which such employees were employed. Good examples of such general unions include:

The UAC and Associated Companies African Workers' Union; and the John Holt African Workers' Union - catering for both skilled and unskilled workers.

Table 16.4: Types of Registered Organizations in the New Trade Union Structure in Nigeria

	Total Number	Percentage of Total Membership
Employers' Organisations	9	0.3
Industrial Unions	42 <sup>1</sup>	94.5
Senior Staff Association	15 15	0.93 0.93
Professional Association	4	0.07
Total	70	95.8 <sup>2</sup>

**Explanatory Notes:**

1. This figure is an 'amalgam' of all the 'Union Types' enumerated in table 16.3 - Crafts, General, Guilds and Unclassifiable.
2. The total percentage could not add up to 100 percent because of the non-availability of estimated membership in some organisations, for example - The Nigerian Union of Journalists, and the Association of Senior Civil Servants.

Source:

Compiled from the list of Trade Unions enshrined in the Trade Unions (Amendment) Decree 1978 (Decree No. 22) Laws of the Federal of Nigeria, 1978, P.A117, Section 5(7)

The next type of unions as shown in table 16.3 were the 'GUILDS' which were not supposed to be regarded as formal trade unions. They were the group of unions that were salvaged by the 'terminologies' used under the trade union ordinance of 1938 - "that any group of five employees, if they chose can form a union". In other words, this 'clause' caused various organisations which were hitherto not recognised as trade unions to be registered and given trade union status during the period. The group was nothing more than the co-operative societies, the bulk of which were craftsmen accountable to themselves only. By today's standard, such unions couldn't have had any chance of registration at all. Examples of such 'unions' include:

The Ote Tomo Native Herbalist Union registered July 1941 with a membership that hardly exceeded 10 people; the Ijesha Goldsmiths Union, and the Lagos Cycle Repairs Union.

Furthermore, in table 16.3 is the employers organisation' (discussed earlier in the text) which only very few qualified under the provisions of the Trade Union Act. Out of 837 organisations registered in September 1971, the employers organisation constituted only 5 percent of the total membership.<sup>25</sup>

The remainder of the unions shown in the same table which accounted for 2 percent of the registered organisations in 1971 have been designated 'unclassifiable'.

The term 'unclassifiable' was applied to these organisations because of the degree of proliferations among the organisations that made up the group. Such organisations include: the Shoe makers, the weavers, mechanics, leather workers and related trades.

As shown in table 16.4, following the federal government's new National Labour Policy in 1975, and the subsequent legislations that followed, particularly the Trade Unions (Amendment) Decree NO. 22 of 1978 a new trade union structure emerged. During the 're-structuring' exercise in 1977, most of the unions such as crafts, general, guilds and the unclassifiable discussed earlier were integrated into the industrial union. Consequently, there are four types of registered trade organisations in the new trade union structure as against six that registered before 1978 (Table 16.4). The detailed (revised) New Structure of Trade Unions in Nigeria as at December 1978 (no changes have taken place since then) is reflected in Appendix 'D'. With regard to the major problems of the Nigeria trade union movement (Union of Workmen) mentioned earlier in the text, the time is now due for the examination of these major organisational problems hence the subject of the next paragraphs.

(A) PRIMARY PROBLEMS

(i) Lack of Adequate Funds

Broadly speaking, the importance of adequate 'flow of funds' to trade unions as, it is to most other organisations in recent times, cannot be over-emphasised. The ability of a trade union to both contemplate and sustain any strike action would very much depend on the 'heaviness' of the union's purse. For in recent years, contemplated strike actions have either been abandoned right from the outset or started only to be suspended after a few days action because of inadequacy of funds. In effect, a union or unions which cannot organise or sustain strike action - seen by some industrialists as a union's most 'deadly weapon' would obviously find it difficult if not impossible to retain the overwhelming support of its members at all times.

Funds are also necessary to the unions to enable them to pay the wages and salaries of the trade union officials, other employees working for the union; and to cover other administrative and overhead costs. Moreover, rising competition for membership between the trade unions and other social organisations in modern times meant that unions ought to provide friendly benefits for their members in order to retain their unqualified allegiance, or lose its members to ethnic or tribal unions - the competing

social organizations. Hence, the overall importance of adequate 'cash flow' to trade unions. Yet, in Nigeria, the average financial income of trade unions remains very low. Why do the Nigerian trade unions suffer from this financial hardship one might be apt to ask?

Apparently several factors might be responsible for the trade unions perennial financial weakness but the two reasons usually advanced are namely -

1. The small size of union membership; and
2. the fact that only a small proportion of registered members pay their union subscriptions regularly.

First, with regard to union size, it is clear from (Fig. 3), that in Nigeria there are several unions but with few members. Unlike the United Kingdom where the trade union density is higher.<sup>26</sup> It is often said that the 'strength' of a trade union lies with its membership.<sup>27</sup> In that, the more members a union has on its register the more cash it is able to generate every month or year through membership subscriptions. This assertion (membership strength) would be true of a union with 'committed' members, but not for all unions, while a union with very few members on its register as was usually the case with most Nigerian trade unions in the early sixties and seventies, the incidence of a gloomy yearly financial prospects becomes a permanent feature. For example, in the 1950s and 60s when the average income

of most unions could not reach ninety pounds £90.00 per annum, the big unions such as the NUT (Nigerian Union of Teachers) and the Nigerian Union of Railwaymen were having good financial returns because of their numerical strength.

With respect to inability of the registered members to pay their union subscriptions, the researcher found that in the Nigeria Airways Limited, only 15 percent of the trade union members were paid-up members or financial members as they are sometimes referred to. At the Lever Brothers (Nigeria) Ltd., over 50 percent were paid-up members. However, to assert that unions are poor because members fail to pay their monthly or weekly dues only poses the more fundamental question of: why are members so adamant about their monthly subscriptions? As far as the answer to this question is concerned opinions vary markedly. On the one hand, are those who argue that the inability of the members to make regular union subscriptions was a consequence of poor wages and salaries paid to the average wage-earner. And that even when such subscriptions were made at the existing poor wage levels they were bound to be very small and therefore inadequate.<sup>28</sup> While on the other hand, it is sometimes held that workers propensity to support an organization financially depends on what such an organization can offer to its workers, socially and economically.<sup>29</sup> For instance, in our survey of the Nigeria Airways Limited Workers, about twenty-five percent of the workers said that they would be willing to



join the Nigerian Airways Workers Union if they were sure that the union would meet their expectations - raise wages and improve other working conditions. About 70 percent of the workers belonged to different ethnic or tribal unions (an organisation of members of the same tribe e.g. Ibos, Yoruba or Hausa), which they pay their subscriptions to every month. (See chapter 6.15)

Moreover, there is a substantial evidence to support the view that in Nigeria, workers support for trade unions tended to reach its climax during and immediately following a period of intense wage agitation; and that many unions do come into being during these periods, only to wither away immediately afterwards.<sup>30</sup> In 1943, it was reported that union members merely regarded trade unions as 'sticks to beat their employers and to extort from them higher wages'.<sup>31</sup> In recent years, this rather extreme view about trade union functions have not materially altered or changed as our survey revealed. Over 85 percent of the workers from both companies (Nigeria Airways Ltd., and Lever Brothers (Nigeria) Ltd.,) considered that their unions existed mainly for the purposes of agitating for higher wages for them. While the remaining 15 percent believed that the 'battle' by the unions for better working conditions generally was a legitimate trade union obligation to its members. With this sort of narrow perception of the nature and function of trade unions at the back of their minds, it is only natural that financial support to the unions will become highly an obligatory issue; and they

can only throw their support when there is a wage agitation or wait until a new wage award had been won.

In contrast, the role of the ethnic organizations which receive continuous financial support all year round is to provide 'friendly benefits'. Such benefits include death benefits, assistance regarding native marriage expenses and during the illness of a member, and the repatriation of the destitutes from the city; 'activities which by their nature are more regular than wage agitation'.<sup>32</sup> Apparently, it is not that the concept of 'friendly benefits' is too alien to the Nigerian unions; indeed the constitution of most unions do make provision for 'friendly benefits', but the truth is that in practice very little is done (if any at all) to make them available to the members. A study by M.O. Kayode which examined trade union records in the paying-out of benefits to its members in 1962 reinforces the assertion that the unions care very little for their members in terms of friendly benefits provision. It was found that 72 percent of the unions sampled paid no benefits whatsoever to their members, while 20 percent paid a total of £50.00. In all, it was discovered that only 8 percent of the unions rendered benefits of more than £50.00 each to all their members in one year.<sup>33</sup>

On the basis of the foregoing considerations, it can be argued that the financial plight of the Nigerian trade unions is not merely a direct consequence of its members poor wages and hence unable to pay 'dues', but basically a result of unions 'unwillingness' to provide

those services (like the ethnic organizations) which enhances total and unqualified support for an organization. However, to avoid continuing financial embarrassment and subsequently improve their financial position, it is suggested that the welfare of their members especially the provision of friendly 'benefits' should be made a top priority; as the early British trade unions (friendly societies) provided for their fellow club members. During these periods even though clubs had no visible machinery to coordinate co-operation between clubs existing in different trades, the clubs were often generous in their response to exceptional appeals for assistance. For example, in such cases as a difficult strike or a prosecution involving a member from another trade, these clubs would make liberal contributions out of their own savings or appeal directly to their members for voluntary contributions. Club members were so confident in their different trade clubs that they looked forward to these 'clubs' to provide them with benefits such as sickness or old age when the need arises. As Pelling noted:

"The reasonably prosperous artisan looked to his trade club to provide him with sickness, old age and funeral benefits".

34

It is the sort of 'friendly benefits' which the Nigerian trade unions should aim to provide for their members.

Consequently, it is suggested that the trade unions should as far as possible try to identify themselves with

some of the so called 'friendly benefits' which the average Nigerian esteems very highly. For example, organizing visits (on Sundays) to members who are ill and hospitalized, presenting gifts to the family of a member 'blessed' with a new child, or getting married for the first time. Equally important is an introduction of interest free short-term 'cash advance' to members, to meet unexpected domestic problems. The point being emphasized here in respect of 'cash advance' is that if a member was confronted with cash difficulties instead of rushing to the 'tribal organizations', which are usually willing to make such cash advance in return for total membership allegiance, he should raise such cash from trade union sources. For, having received such financial assistance from the union, there is no doubt that such a member would be prepared to sacrifice the last 'Naira and Kobo' in his pocket as his monthly or weekly trade union dues. The member made the 'sacrifice' because he was convinced that the union would always come to his rescue financially if needs be. The moment Nigerian trade unions started practising this 'scheme' there would be tremendous increases in both membership and the monthly income returns.

Furthermore, since most of the Nigerian trade unions financial problems have been constantly associated or linked with 'misappropriation of union funds' by the union leaders, it is suggested that the provision of the trade union Decree of 1973 on trade union financial returns be reviewed with a view to enforcing it more vigorously.

In addition, as the present administration has lifted the ban on international affiliation and foreign aid to industrial unions, it is strongly suggested that financial aids to trade unions be channelled through the Federal Ministry of Labour and paid into the unions' account instead of passing such financial assistance through union leaders. Moreover, trade union officials should be made to recognize that such financial assistance was for achieving specific union objectives such as education, training and administration and not for private pockets.

On the other hand, it is suggested that both the state and federal governments should from time to time render some financial assistance to the unions to enable them meet new investments, overheads and administrative costs. The present system whereby the government had to wait until the unions start complaining of 'cash shortages' before reacting should be reviewed. For, financial assistance rendered at such a 'critical time, will only help perhaps to clear the unions 'cumulative debts' while still leaving the union in a desperate financial position. Finally, the present 'automatic check-off' system should be encouraged, and kept under close scrutiny to deter possible financial malpractices by either the employers or the trade unions themselves.

In sum, it is believed that with extra regular financial assistance from the governments (states and federal), a more positive approach by the unions towards the provision of 'friendly benefits' just as the

19th century British trade unions did; there is no doubt the unions would start to 'break-even' by 1985, something difficult to imagine at present.

(ii) Abuse of office by Trade Union Officials

Since the trade union movement's inception in 1938 no aspect of its numerous 'short-comings' has received so much attention and comment as the accusation of abuse of office by its officials. That trade union leaders play a central role in the practice and conduct of industrial relations is crystally clear. The job of organizing the union and the overseeing of its daily operations fall within the domain of these officials; in particular the president, general secretary and the treasurer. It is they that handle endless complaints by members for redress, formulate union policies and objectives and work rules.

Moreover, it is they or their accredited representatives that carry out wages and related negotiations on behalf of their members with an employer or any negotiating machinery within an industry. The responsibility of complying with the law guiding the practice of industrial relations, such as to render returns and proper accounts of unions' cash-movements over a specific period falls upon them. So also is the task of representing workers on government instituted Advisory Committees or Boards for example, on wage Commissions and other related committees.

Because of these considerable responsibilities, the occupation requires honest people with a sense of judgement and appreciation, sense of humour and devotion to duty. Yet in Nigeria, there is hardly any government commission or tribunal right from the colonial era which has not remarked about the almost complete absence of these qualities within the trade union leadership, and the severe repercussions it has had on the conduct of industrial relations generally. For example, in 1949, the Fitzgerald Commission noted:

"Many advantages gained by workers are safeguarded and improved by efforts made jointly by the trade union and the employer. If this work is to be effective, it is essential that the problems should be approached with a sense of responsibility. We regret to say that the evidence that has been adduced before us convinces us that the trade union leaders, in the great majority of cases at all events have shown little sense of that responsibility."

35

Nor have the post-independence experiences presented a different picture. In 1977, government white paper on the Adebisi trade union tribunal accused the central labour unions of 'racketeering, abuse of office, personality cult, politicisation, corruption, conflict of interests and similar malpractices'.<sup>36</sup> The tribunal further pointed out that between 1969-1975 that the central labour organisations were run with little regard for system and care. The leadership the paper claimed:

"exhibited little if any, sense of responsibility or accountability

to workers they represented.<sup>37</sup>

However, one might ask what offence(s) constitutes abuse of office? In Nigeria abuse of office by trade union officials can take various forms, but in the main, over 75 percent of such accusations centre around financial embezzlement and misappropriation of funds. Reports of trade union officials being accused of enriching themselves with union funds have been widespread at all levels of trade unionism from the house unions to the central labour organisation. Though most of these accusations are at times borne out of malice by members to discredit an official, particularly, where such an official comes from a different ethnic or tribal background. Nonetheless, a significant proportion of these accusations are always founded. For instance, a government commission appointed to investigate incidents leading to the shooting of coal miners at Enugu in 1949 found that:

"a great deal of the industrial tension at Enugu was caused by the utterly unscrupulous manner in which Mr. Ojiyi used his position as secretary of the union (Colliery Workers Union) to increase his influence and improve his own personal position.... We are not at all impressed by the evidence which he has submitted concerning the sum of £1,500 which he received personally out of a levy of a little more than £2,500 subscribed by the miners at a time when the union was without funds.... His behaviour at best showed a great interest in his own financial improvement than



was consistent with his devotion to the course of the miners, and at worst exposed him to the charge that he deliberately used his position to enrich himself at the expense of the union's fund." 38

Mr. Ojiyi's case was not an isolated case as indicated by the convictions of some trade union officials during these periods. For example, in 1958, an official of the Electrical Workers Union of Nigeria was convicted for stealing the sum of £18.16 from the union's fund.<sup>39</sup> While in February 1959, two officials of the amalgamated union of African Staff Clerical and Technical Workers of Metal Containers Apapa, were convicted for forgery and giving false information to the registrar of trade unions.<sup>40</sup>

In recent years, the situation has even taken greater dimensions as the several reports of inquiries set up by the government and other institutions in the 1970s have indicated. For example, in 1971, the report of the Board of Inquiry into the affairs of the amalgamated Dockworkers Transport and General Workers Union reported of widespread bribery and corruption and other forms of malpractices within the union's leadership.<sup>41</sup> While the government tribunal of inquiry into the activities of trade unions in 1977 found large-scale misappropriation, embezzlement of funds (gifts and dues) and widespread bribery and corruption among the leaders of the various trade unions.

Going through the finances of one of the central unions (ULCN) United Labour Congress of Nigeria during the inquiry, the tribunal found that officials of some affiliated unions demanded gratification before paying in their 'dues' to the central union (ULCN), failing which they would unilaterally cut down their membership figure and thereby pay reduced monthly dues.<sup>42</sup> The scale of these unprofessional union activities forced the tribunal to recommend the proscription of eleven influential trade union officials from further participation in trade union activities in the country. While many others were severely reprimanded and forced to refund the cash embezzled. Chapter 2(iii-iv) of the document - Summary of Recommendation states:

"We recommend that

- ii. Chief Odeyemi should no longer be allowed to hold any office in the trade union movement;
- iv. if Mr. A.I.A. Okere is to continue in the trade union movement he should mend his ways."

While Chapter 3 Section 1 & 11 state:

"We recommend:

- I. that early steps be taken to carryout inquiry into DR. J.O. Otegbeye's assets and liabilities since 1960;
- II. that Mr. Odeleye be called upon to refund ₦800.00 with simple interest at 10% for nine years period 1967-1976."

Furthermore, apart from these examples of sheer dishonesty exhibited by these officials, on numerous occasions they have been accused of victimization and intimidation of their members. Cases of union leaders demanding money or any other gifts from their members before their grievances with an employer can be given proper attention have also been reported.<sup>44</sup> Members have also been forced by unscrupulous union officials who want to remain in office to vote for them during an election by threatening the jobs of such members.<sup>45</sup>

In addition, union officials have always been accused of deliberately repudiating collective agreements reached with an employer when it has been discovered that those terms were unpopular with the membership or just as a strategy for retaining the waning interest of the members. Union officials have also been frequently accused of even rejecting the awards of arbitration tribunals which they had voluntarily submitted to, where all the 'demand' put forward by their union had not been fully met, mainly because of corruptions.<sup>46</sup>

Moreover, it is also a characteristic of some union officials to make unrealistic demands such as wages and other conditions of service from their employers or call out the workers on strike from time to time. The reasons for this sort of action are two-fold. First, it is an easy means of forging solidarity within the rank and file. Secondly, it is a means by which the union leader can

demonstrate to the members that their overall interest still remains his top priority - (securing good pay and conditions of service) and that he is also the right man for the job.

The question then arises how can these 'ills' be cured or reduced? To begin with, any suggestions aimed at total eradication of this seemingly chronic disease at the present stage of the country's social and economic development should be discounted. This is because, the unprecedented level of bribery and corruption even at the very 'corridors' of those entrusted to stamp-out these criminal acts would make such an exercise impossible. Rather, what is required at this stage is to devise a means or method of reducing their present levels. To this end, it is suggested that persons convicted of serious criminal offences in this context offenses such as embezzlement and misappropriation of public funds and related crimes should be barred from taking up trade union posts for life. The present practice of allowing ex-convicts to take up trade union posts after a few years suspension should be discouraged. It would be recalled that in 1963-64 the Morgan wages and salaries review commission made a similar recommendation which was only accepted in 'principle' by the federal government.

Secondly, in order to create atmosphere of mutual confidence and respect between the workers and their employers, it is suggested that the 'Calibre' of trade union leadership should be much higher than obtainable at

present. By this we mean, that for a person to be elected or appointed as a trade union leader he should have both good financial and educational background. In that, if a person with sound financial background was chosen as a leader, 'money' would not be the sole motivating factor for accepting that office. He might be aiming to derive 'higher order needs' such as self-fulfilment, and self-actualisation from the new job.

During the researcher's interview with a senior official of the Nigeria Labour Congress at Surulere, Lagos, a trade union official made a remark which supported the above view on future trade union leaders' financial background. The official told the researcher:

"My son, the sooner we stopped electing or appointing hungry people to run trade union affairs in this country the better it would be for us trade unionists. Some persons take up union office to fill their empty stomachs, nothing short of that."

47

Similarly, with moderate educational qualification at least school certificate ('GCE 'O' level) and training, as well as good 'exposure', the leaders would be able to appreciate what management of an organisation's resources in particular human and capital assets actually involved. At present, majority of the trade union leaders have standard six certificates with only a handful with government class four.<sup>48</sup> While those union officials with school certificate, higher school certificate,

degrees and diplomas are extremely difficult to come by. This situation contrasts sharply with the present situation in the United Kingdom where most union leaders are degree holders. For example, the general secretary of the TUC the equivalent of NLC (Nigerian Labour Congress) holds a masters degree.

Finally, it is suggested that in future all registered and recognised unions should be compulsorily instructed to submit to the certification officer all documents denoting that a bank account had been opened for and on behalf of the trade union in a specified bank two weeks after registration. This is necessary because most union officials entrusted with union funds hardly differentiate between the cash coming from their own personal 'purse' with those from the unions; since he secures both his own cash and the unions in the same place - before the 1960s, a small square box with two partitions in the middle usually hidden under his bed: There is no doubt that the above suggested approach would help to reduce the level and frequency with which trade union funds are embezzled at the moment.

(iii) Rivalry between Trade Union Leaders

Rivalry, personal/political, among trade union leaders in Nigeria is becoming a permanent feature of the Nigerian Labour movement. In spite of numerous government efforts and measures in the

last two decades to rid the unions of this problem it has persisted. No doubt rivalry can be healthy in some circumstances, but in this context, the nature of rivalry being referred to is what the government has described as the

"unbridled show of power among the union leaders which is not calculated to serve the interests of the workers, nor the course of the trade union movement as a whole."

49

These include among other things subversive activities and unwarranted cut-throat competitions in union matters. An 'issue' which has seriously affected both the movement's limited bargaining role and its cohesiveness. As one of its veteran leaders Wahab Goodluch of (NTUC) Nigeria Trade Union Congress) admitted during an interview. He said:

"If leaders have a common front, no employer can have the gut to threat workers with levity and hope to remain in business."

50

But what is or are the cause(s) of this chronic disease one might ask. Undoubtedly, a number of factors might be responsible. However, in the main is the 'crave for power' among the union leaders - in order to control the trade union's financial resources. Other reasons include ideological differences, political party affiliations and ethnic/tribal sentiments.

In Nigeria, most trade union leaders believe that the posts of a general-secretary, president and treasurer are for a 'acquiring wealth'; since these officials control the unions 'purse', often rendering dubious account of their stewardship. As the late president of the Nigeria Ports Authority Workers Union (Samuel Omeruo) stressed during our interviews with him at his Apapa Quays office:

"it is difficult to convince our members that we are 'there' to perform the trade union functions. A good majority of them feel that we are in office to make money for ourselves."

Surely, with this sort of impression fairly rooted in their minds, the tendency is for them to struggle among themselves for these top posts. Trade union leaders occupying less important positions or positions below those of the General Secretary, Treasurer and Financial secretary can usually be seen 'betting' their lives for the sake of grabbing either the post of the general-secretary or a treasurer. It is not uncommon to see union leaders at these times (election times) engaging in subversive activities within the union organization. The aim being either to unseat the current general-secretary or treasurer and take over his position or to carry-out a smear campaign to render such opponent inelligible for future elections.

Some trade unions leaders even go to the extent of engaging the services of a 'Native Doctor' - to organise



'charms' or 'juju' for them so as to influence the pace of events. For example in 1972-73, the late Mr. Omerua mentioned above had this experience during one of his union's presidential elections. He once confided to the researcher who was then residing with him at Apapa-Marine Beach in 1973:

"My son, fellow contenders to this post of president want to kill me, I have decided not to accept KOLANUTS even from my best friends during any of our meetings until after the elections."

What's more, if at the end of such bitter campaign the union leader fails to be selected or elected as either the president or general-secretary, then he would immediately start campaigning for the 'split' of the union into several factions; in a bid to achieve his life long ambition that of becoming a president or general-secretary.<sup>51</sup>

Reinforcing this 'crave for power' assertion further are some of the responses which the researcher got during series of interviews with some current trade union officials and employers association officials. In an interview with a trade union official at the NLC (Nigeria Labour Congress) headquarters at Surulere-Lagos, the union leader, an elderly man from the Eastern Part of the country with vast experience in trade union affairs had this to say when asked, what do you reckon to be the main causes of rivalry among your colleagues?

"Enyi (meaning my friend), the rivalry between my colleagues is nothing but a fight for 'power' for the control of union 'purse'; as far as I am concerned any other explanation contrary to this is a delusion. I thought it is high time we stopped deceiving ourselves, we love Naira too much."

A railway worker (Chief Printer) in the Printing Division of the Nigerian Railways, Head office at Ebutta metta, Lagos replying to the same question said:

"The struggle is for 'power' to control vast financial resources coming from foreign sponsors such as the ICFT, and the WFTU; every trade union leader wants to be like Wahab Goodluck, H.P.Adebola and Michael Imoudu, owning mercedes benz cars and controlling thousands of Naira in their accounts at the various union expenses."

These clearcut responses ran parallel to Cohen's responses from a cross section of university workers which he interviewed in 1974. The workers held the trade union leaders partially responsible for the lack of labour unity. The workers claimed.

"Union leaders like too much money and do not care about the welfare of the workers; leaders are un-trustworthy, fighting for their pockets only and not for the common workers." 52

Furthermore, when an official of the Nigeria Employers Consultative Association (NECA) was asked a similar question in his office at Commercial road Yaba during an interview with the researcher he replied:

"To be candid rivalry among trade union leaders these days is nothing but a calculated struggle for 'who' controls the union's financial resources. Trade union leaders are no longer in the union for the sake of performing the traditional trade union roles, many see it as an avenue for enriching themselves."

With respect to the other reasons namely - ideological differences, political party affiliation and ethnic or tribal sentiments, in Nigeria a trade union leader is either labelled a Marxist (communist trade unionists, usually backed by W.F.T.U.) or a pro-Western (sponsored by the ((C.F.T.U.)).

What usually happens is that, at the Central Labour Organisation level when policy issues or decisions are being taken, union leaders would start campaigning vigorously for their 'ideas' or beliefs to dominate the final decisions to be reached. As a consequence, if at the end of such deliberations the policy decisions favoured a particular 'group' say the pro-western ideologists, the marxist/communist group would immediately declare such decisions reached as null and void with charges of unconstitutionality and undemocratic. And if the confused situation was allowed to find expression in the next meeting that would be the end of such central labour organisation, since one or two factions would emerge as a result.

Indeed, this was one of the problems that hindered various attempts made at the formation of a central labour

organisation in the country in the early 1940s right up to 1976 when all the four central labour organisations were banned.<sup>53</sup> For instance, it was ideological differences between Imodu Michael (a marxist militant union leader) and Henry Popoola Adebola (a moderate pro-western union leader) that led to the demise of the first (TUCN) which later split into two factions - NTUC led by militant Michael Imodu and the TUCN led by H.P. Adebola.<sup>54</sup>

Similarly, with regard to political party affiliation, and ethnic or tribal sentiments, the chain of events and the consequences thereof are often the same. This is true because in the early fifties a trade union leader could find himself isolated for affiliating with a particular political party such as N.C.N.C (National Council of Nigerian Citizens or the Action Group (A.G) against the wishes of the rank and file members. For example, a group of trade union members could withdraw both their monthly subscriptions and membership to a central labour organisation for affiliating with a particular political party.

Trade union members or leaders sometimes take unilateral action (in the form of withholding or refusing to make monthly subscriptions) against a central labour organisation for having its leadership dominated by a particular ethnic or tribal group such as Ibos, Yorubas or Hausas which the rank and file is opposed to. A case in point being an incident in April 1981, when the NLC, the only central labour organisation in the country designated

April 20th and 21st as 'days of action' to force the federal government to back down on its hardline attitude over the restoration of car allowances to workers and an increase in the national minimum wage. The president of the Nigerian civil Service Union based at Enugu in the Eastern part of the country refused to call out his members to participate in the NIC's day of action because of certain undisclosed reasons. However, it was later gathered that the reasons behind the president's (Mr. David Ojelli) action had both political and ideological as well as tribal connotations. The accusation was later confirmed by a senior trade union official at the NIC head office in Lagos during an interview with the researcher.

Regrettably, this leadership rivalry is seriously affecting the already limited bargaining role of the trade union movement. Rivalry between two union leaders who are supposed to be representing their union on a wage negotiation would mean, that the union so involved would find it difficult to appoint a representative since each leader would be struggling to emerge as the official union representative. Secondly, the employers might not be willing to enter into negotiations with the unions because of representational dilemma resulting from leadership rivalry. Moreover, rivalry within union leadership would mean lack of cohesiveness and consensus - essential prerequisites for any wage negotiations, particularly when dealing with an uncompromising employer.

A recent case which has been mentioned earlier in the text can be further cited as an example of how rivalry among trade union leaders has affected trade union bargaining role in recent years. In 1980, the

Nigerian Labour Congress after its National Executive Council meeting on July 23, demanded among other things from the government ₦300.00 Naira per month minimum wage.

The communique read:

"Congress reaffirms and maintains its position on the ₦300.00 National minimum wage demand.... Consequences of failure would lie squarely with those who prevent this tripartite body from accomplishing its task."

55

At the end of the meeting the NLC issued a statement in which it warned that if by December of the same year the government fails to meet its demand that the congress would embark on an industrial action (the usual sanction available to trade unions during wage negotiation) to force the government to concede wage increases. The 'ultimatum' as most Nigerian newspapers branded the NLC's threat during the period came and passed without the government giving into the demand. To demonstrate that it meant 'business', the NLC asked its entire affiliated unions to call out their members on strike for the 20th and 21st April 1981.

As noted earlier, the president of the Nigerian Civil Service Union Mr. David Ojeli now the deputy president of the NLC instructed his members not to take part in the 'days' of action because of ramifications over the posts of president, secretary and treasurer which Ojeli and his men wanted.

Although Ojeli later denied this accusation arguing that his decision had nothing to do with 'leadership struggle', some NLC officials whom we interviewed during the period maintained that it was the most important single factor. One official told the researcher.

"Don't mind Ojeli and his henchmen, he (Ojeli) wanted to be the president of NLC by force when Sunmonu Hassan had been duly and democratically elected by the members."

Because of the ineffective industrial action which resulted, the NLC lost its battle to force the government to concede the ₦300.00 minimum wage. The government agreed to pay ₦125.00 Naira. In any case, we are not implying that the government could have conceded to the NLC's original ₦300.00 Naira demand had the strike been successful. Rather, what we are saying is that if the trade union movement had fought as a 'body' regardless of the success or failure of the industrial action, the government offer of ₦125.00 could have been improved to at least ₦150.00 Naira per month.

Numerous cases of this nature have in recent years been reported in the private sector as Mr. Omerua former president of the NPA workers union told the researcher during an interview. He noted:

"We have been losing in almost all wage negotiations because we are not united. If we were united, who are the employers to tuss us like coin."

The question then arises what should be done to get this somewhat apparent chronic disease under control? To reverse the trend it is suggested firstly, that the federal government in collaboration with the central labour organisation should from time to time (at least at the end of every month) organise a seminar on 'workers' education' mainly for trade union leaders from all parts of the country. The aim of such periodic seminars would be to remind the leaders of their roles and responsibilities which they owe to their unions, members and to the general public.

Secondly, more stricter disciplinary measures by the government is further suggested. By this we mean, if for example, it was discovered that officials of a recognised and registered trade union were competing or struggling among themselves for the purposes of taking over a particular post such as that of a general secretary or a treasurer in a union, in a manner divorced of 'democratic principles', the certification officer should be instructed to de-register such a union and those officials proscribed from further trade union activities for life. This last suggestion might seem too severe a measure if considered in isolation, but if one considers the alarming proportions which rivalry between union leaders have reached in the last ten years, it becomes a worthwhile suggestion to make. At least it would serve as a deterrent to other 'greedy' trade union leaders contemplating such an undemocratic action.



(iv) Poor Education

Underlying most of the problems confronting both employers and trade unions in Nigeria today is the need for education. The question then arises, what type of education do the workers and their leaders need? There is no doubt the Nigerian workers and their trade union leaders need both 'formal or basic and the labour education'. The former has to do with academic - learning to read and write, while the latter involves a good knowledge of the content and operation of labour relations and related matters.

First, for the workers it is no exaggeration to state that over sixty-five percent of the trade union members have no basic education. Infact, a good majority of the manual workers have no primary six certificate let alone a secondary school qualification. As for their union leaders, a significant proportion of them are known to be college drop-outs,<sup>56</sup> only a handful have managed to acquire government 'class four' certificate.

This poor educational background affects both the trade union membership and cohesiveness. This is because most trade union members very often refuse to attend weekly or monthly meetings because such meetings were conducted in 'English language' which they do not understand. Those members who would not isolate themselves from trade union activities would instead look for the unions with their own tribal or ethnic background. For example, the Ibo workers would look forward to

Ibo dominated unions, so would the Yorubas and Hausas.

The reason behind the search for tribal/ethnic dominated unions by these 'uninformed' workers is for easy and uninhibited access to the officials who preside over the meetings; whom they ('uninformed' workers) can approach for an explanation to certain key issues using their local languages. Confusions have always arisen at the end of union meetings as members who claimed that they never followed the deliberations of a meeting because it was conducted in 'English language' demand 'word for word' explanation of the decisions reached from either the secretary or other officials. Particularly, when sensitive issues such as the disbursement of union funds had been discussed during such a meeting. Trapped in this sort of social problem no doubt the need to provide both the workers and their leaders with basic or formal education becomes even more crucial.

As regards to the second type of education - the labour education, - which can be described literally as a sort of industrial relations training in a vocational sense, it is vital for workers, union leaders, employers and indeed all those interested in labour relations in a modern industrial society. First, to the union leaders, it is very essential, for even though much has been done in this direction by the government, it is not uncommon to see top union officials who do not understand what collective bargaining is all about. This statement is arguable, but the response which the researcher got from most of the

trade union leaders interviewed during the surveys supported the assertion. For example, during our interviews with some union officials at the NLC (Nigerian Labour Congress) Headquarters at Surelere Lagos; of the twenty officials whom we asked about issues relating to collective bargaining/agreement, only 5 percent or 4 of the officials was able to make meaningful and constructive statements about collective bargaining process. In addition, a statement by the deputy president of the NLC on Saturday July 5, 1980 while addressing trade union leaders supports our argument. During that conference the deputy president David Ojeli noted:

"The need for educating members of trade unions cannot be over-stressed. Trade union movement has an important role to play in the social and economic development of Nigeria. To be able to play that role, it must engage in extensive workers' educational activity. It is also not uncommon to see top union officials who do not know what collective agreements are and what some of their main contents should be".<sup>57</sup>

And yet 'collective bargaining' is one of their most important functions.

Also there are a good proportion of trade union leaders who have not seen either the trade union ordinance of 1938 or the post-independence labour Acts and Decrees, let alone mastered their provisions. This contrasts sharply with the position in the United Kingdom where a significant proportion of the union leaders can recite some of the provisions of most labour enactments such as

the 'Industrial Relations Act 1971 (IRA 1971), TULRA (Trade Union and Labour Relations Act 1974, EPA 1975 Employment Protection Act and the New Acts EA 1980 (Employment Act). Furthermore, as pointed out earlier in the discussion a good number of trade union leaders can hardly differentiate between their own 'purse' from the unions. Or even their own personal property from those that belong to the union because of their illusive impression that by virtue of their positions anything that belongs to the union automatically becomes part of their property. All these are direct symptoms of lack of labour education, which is an 'awareness' creating mechanism or device in an industrial society.

As for the workers, the overall importance of on-the-job-training labour education cannot be over emphasised. The trade union members need education not only for the exercise of their rights, freedom and privileges, but equally in the discharge of their duties and responsibilities as trade unionists and citizens. Lamentably, a significant proportion of trade union members in Nigeria today are handicapped by their lack of this essential 'tool'. This is evidenced by the fact that a good number of them do not know who their national secretary or treasurer is, let alone to keep abreast with the events in the industrial relations world. For this and related reasons labour education is very crucial to them.

For the employers, education is required to promote fuller understanding of the economic and social significance

of trade unionism and a willingness to embark on consultation and negotiation instead of confrontation. In addition, the employer who is abreast of the 'times' is the first to recognise the value of sound, independent and reasonable trade unions capable of representing the interests of their members. Moreover, education by imparting understanding can help reduce the area of labour-management conflict and promote the substitution of reasoning and conciliation for emotions and force.

Under these circumstances, one might ask what have successive governments been up to in promoting this widely discussed issue? Available evidence suggests that government efforts in this regard have been relentless, but ineffective. For example, between 1949 and 1951, the government awarded scholarships to some trade union leaders to enable them study 'Labour affairs' in institutions in the United Kingdom. Among the beneficiaries were B.E. Endem, W. Garber, R.N. Okohi of the African Loco Drivers Union, V.D. Uwemedimo of the Nigerian Civil Service Union, E.O. Songonuga of the association of Railway Civil Servants and A.F.A. Awolana of the Nigerian Union of Teachers. Unfortunately, these scholarship programmes were abandoned in 1951 because of the disappointing attitude of most of the beneficiaries. Disappointment was caused because most of them (union leaders) on returning to the country took up lucrative appointments in the civil service, some in the private sector without due considerations to the 'reasons' why the scholarships were awarded to them in the first place.

For example, of the six trade union officials to whom special scholarships were awarded to study in the United Kingdom in 1950, 3 joined the civil service after their courses, 2 took up appointments in private industry, while one remained in the United Kingdom to study law.<sup>58</sup>

However, inspite of these early set backs, post-independence governments have remained as determined as ever to promote this essential 'tool' for good labour relation. In 1976, the Federal military government decided to take 'the bull by the horns', to this end, a government directive as contained in section 3(1)(a)(ii) of Decree No. 44 of 1976, charged the administrator of trade unions with the responsibility among other things for 'promoting the education of members of trade unions in the field of labour relations and related fields'. As if this move was not enough, the government went on to outline the aims and objectives of labour education in a government white paper. Paragraph 5 section 70 of the paper states;

"the aims of this educational process are:

1. to enable participants who are essentially parties in labour relations determine the existence and nature of their problems if any,
2. to enable the partners to understand the relationships and the consequences of their own activities for labour relations and the society,
3. to enable the partners to formulate immediate or long-term plans and solutions to the problems."

Following this renewed effort by the federal government, in 1977, arrangements for the establishment of a 'National Institute for Labour Studies' were finalized. The National Institute was to have two large divisions - the vocational and academic divisions. The academic division was to comprise the following departments which represent areas of major concern and study in labour relations

- Department of trade union studies
- Department of labour relations and personnel management
- Department of labour laws and labour policy
- Department of social studies and community development
- Department of politics, government and international affairs
- Department of research, education and training.

Scholarships were to be made available to deserving students pursuing courses in the institute. However, inspite of these tremendous efforts by the government a lot still remains to be done in this field. Which raises the question, what should be done to give labour education a new identity which will reflect its increasing importance to the Nigerian society, and assist to promote the process of collective bargaining in the country?

Since labour education has featured in a number of discussions and studies in the country, for example, the Tulatz Report of 1954 on Workers education in Nigeria, the 'Orr Report of 1963 and the Workers' education conference of 1971; our suggestions would centre around those areas that have not been adequately covered. First among

the areas is the area of 'workers education' which although mentioned in the above reports and conferences has as yet to receive proper attention. Emphasis in the last few years has been on education and training of management to the neglect of 'workers' who are also essential 'partners' in the conduct of industrial relations. The federal government acknowledged this serious neglect. Commenting on the issue, the then commissioner for labour and productivity Brigadier Henry Adefope noted:

"the education and training of management have been accorded their proper place in the scheme of things. In contrast to this, not much has been done by the government in the area of workers education."60

In view of this neglect, it is therefore suggested that 'workers education' be accorded the same status as management education and training. Because, as the federal military government pointed out, "strength cannot negotiate with weakness". Literally meaning that if management alone has all the qualities - skills, and expertise necessary for negotiation, with 'labour' having none, it would be difficult for the 'social partners' to enter into meaningful negotiations because of their marked differences in knowledge and understanding. After all, workers must have knowledge and skills, courage and resources, and ability to think independently so as to make free, mature and intelligent judgement.

Secondly, it is suggested that the proposed National Institute for Labour Studies when set up should have branches throughout the nineteen states. This would not



only be cost effective in terms of reducing travelling costs from say Enugu, Zaria or Owerri to Lagos for workshop seminars, but because of its 'nearness' many local workers would be attracted. This is because the old traditional 'idea' of not travelling too far away from ones family is still rooted in the minds of most Nigerian workers, particularly among the 'farmer turned wage earner' who wouldn't like the idea of sleeping outside their homes even for a night because of their cultural beliefs and values.

Thirdly, further encouragement should be given to labour education by making scholarships to the National Institute automatic on admission, discounting the idea of 'federal character' (a policy that in every aspect of federal government concern - employment, scholarships and sports, all the states should be proportionally represented) as far as possible. In that, it tends to deny suitably qualified candidates opportunities of being selected.

Fourthly, successful participation in or completion of some labour education programmes in any of the labour institutes should be a pre-requisite for an election and appointment to certain posts in the trade unions, for example, the posts of a general secretary, president and treasurer. Furthermore, the NLC (Nigerian Labour Congress) and its affiliates (the industrial unions) should as a sign of interest and deep concern in labour education commit at least 5 percent of their annual budgets to the education and training of their members. Their present attitudes of waiting for the government to finance or sponsor every form of training should be eschewed.

As regards basic or formal education, it is suggested that workers especially the 'illiterate' should be encouraged to register on part-time basis in any nearby academic institutions either around their places of work or near their homes to enable them acquire the art of reading and writing. Surely, unless the issue of basic or formal education on the part of these illiterate workers was tackled first to give them the elementary 'exposure', the highly specialised issue of labour education would have no meaning to them. After all, to climb a 'ladder one has to start from 'step one' before progressing to the last step.

In sum, the aim of labour education should not merely be to provide information on practical issues such as organization of works, government and management of unions and correct ideology; but should also be structured or tailored to stimulate awareness, critical evaluations of labour relations and other issues which affect the quality of life in a modern society. The subject matter for such education being suggested would include:

- a. Aspects of industrial relations, particularly, the content and role of collective bargaining process - with much emphasis on the substantive and procedural rules. No doubt, this would help workers to understand more about collective bargaining process.
- b. Leadership training - this aspect of education would assist the workers to be aware of the role of leaders in industrial relations and related disciplines.

- c. Aspects of role of government in industrial relations generally . This would help to clear the impression among workers and their leaders that the government intentions has always been to suppress the labour movement.
- d. Human relations - the advantage of this subject is that it would inculcate in workers and their leaders those essential 'inter-action tools' necessary for maintaining good relationship with fellow workers. In addition, the chances of supervisors or foremen treating fellow workers like appendages would be diminished.

Surely, 'Labour education' structured as recommended above would create that high level of understanding now lacking in both workers and their leaders necessary for successful functioning of collective bargaining process in a country.

#### (B) THE SECONDARY PROBLEMS

- (i) Growing apathy within the membership of the Trade Unions.

Fundamental and vital to any democratic institution is the active interest and participation of the ordinary rank and file members in the decision process. Without such full participation and interest by the rank and file, sooner or later such an institution becomes dominated by minority elements and dictators who may wield the

powers invested upon them arbitrarily to achieve their personal needs. Yet, in recent years majority of the rank and file members of the Nigerian trade unions rarely show any interests in what their unions are doing. To a certain degree, it is the 'financial' position of the trade union that actually reflects the extent of membership interest and commitment to the cause of that trade union. For, a worker who is interested in his union will also make it a point of duty to be paying his weekly or monthly dues regularly. Undoubtedly, the financial position of the Nigerian trade unions as already discussed, adequately demonstrates the scale of apathy within the trade union membership.

In addition, trade unions leaders complain of poor attendance at scheduled union meetings, and the researcher during this survey was able to confirm their claim. This is because the researcher found that among the workers who claimed to be members of the National Union of Air transport Service Employees at the Nigeria Airways, only one in nine had attended their union meeting within the last 2 years. (See chapter 6.15) Moreover, the past Ministry of Labour reports do show that members interest and sense of commitment to union activities were 'sporadic' and only viewed necessary when members were in need of something for example, 'wage claims' to be negotiated. As the former federal commissioner of labour - Brigadier Henry Adefope noted in his speech:

"It is noted that trade union members are usually alive to their responsibilities only when matters such as wage increases etc., affecting them require their participation, but, they see no need for regular attendance at trade union meetings when the situation is quiet. The keenest and most conscientious are left to undertake union business."

61.

Reinforcing the former commissioner's statement was a similar observation made by a senior trade union official in charge of 'membership administration' at the Nigerian Labour Congress head quarters during an interview with the researcher. He noted when asked to comment on the general 'poor attendance' at scheduled union meetings by members:

"Our members rarely attend ordinary routine weekly or monthly meetings; unless such a meeting was specifically called for the discussion of improvement in their wages and other working conditions. Personally, I view this 'logic' with great contempt, for without these routine weekly or monthly meetings it would be extremely difficult to review existing policies in the light of our overall objectives. Believe it or not some members do not bother to put appearance at their branch meetings after registration."

One question that emerges from the foregoing discussions is: what can the membership apathy be attributed to? Undoubtedly a number of factors might be accountable for this rather ugly situation within the trade union movement. In the years preceding and immediately after

political independence in 1960, two reasons were usually advanced to explain the situation. First, it was held that most of the traditional workers in Nigeria were not permanent employees but had paid employment on temporary basis with the view of returning to their home towns and villages after sometimes. In other words, a sort of 'migratory' labour. Some traces of this type of workers can still be found in some parts of the country today, particularly among the Ibo and Yoruba communities. Those workers who seek wage employment for the purpose of raising 'cash' sufficient enough to pay for their 'fiancee's dowries; and as soon this objective was achieved they would go back to their respective villages. This type of employees it is argued can hardly be interested in trade unions whose main functions are among other things the negotiation of long-term conditions of employment.<sup>62</sup>

The second reason centred around 'level of understanding' among the workers. It is held that because of the prevalence of illiteracy most workers are unable to appreciate the role of trade unions and even to follow the proceedings of trade union meetings because it is conducted in English language which many do not understand. For most of them, to remain in a gathering where they would be treated like 'leprosy patients' because of foreign language was something they could not bear since a significant proportion of them were 'traditional title' holders such as 'Eze (chief) and Mazi. Hence their preference for tribal meetings where they can speak and be spoken to.

In recent years, however, growing apathy within the trade union membership has been largely attributed to the gross inefficiency in the administration of most unions, rather than the issues of migratory labour and illiteracy. This is mainly because, in the last thirty years most employments have been on permanent basis. For example, during this survey the researcher discovered that in both Nigeria Airways Limited and the Lever Brothers (Nigeria) Ltd. (See Chapter 6.15) a substantial majority of the respondents have been on continuous employment for more than twenty years. Hence, it is argued that workers are discouraged because of the large scale frauds and corruption among the trade union leaders. To the extent that those few workers keen to develop interest and sense of commitment by paying their 'dues' regularly and contributing in other related trade union activities become totally disillusioned.

Secondly, it is held that the prevalence of leadership rivalry among union leaders for their personal advantages, infused fear in the actual and potential membership. This is because, most of the members would feel that the internal squabbling among the union leaders would seriously undermine their capacity to carry out union roles and functions which the union leaders were entrusted with. In other words, many fear that 'members interest' would not be properly represented because of the leadership wrangling.

However, a fundamental question which one would like to ask is whether trade union membership apathy is

unique to Nigeria. Or whether it is a general problem faced by most voluntary organisations in a democratic environment at certain stages of their development. Trade union rank and file apathy is not unique to Nigeria, it is as explained above, a common problem of most voluntary organisations in a democratic environment. This view is supported by the fact that in the United Kingdom trade union membership apathy was one of the major problems facing the British Trade Union Movement in the years before the Lord Donovan Commission of 1965-1968.<sup>63</sup> Trade Union records show that only a few members were attending their branch union meetings regularly. B.C. Roberts found that between four and seven percent of the members do turn up for branch meetings.<sup>64</sup>

On the other hand, however, it can be argued that a marked difference exists between the situation in the United Kingdom (during the period) and Nigeria. In the first place, most British trade union members are 'literate' who can read and understand the 'minutes' of a union's meeting sent to them directly by post or through newspapers and special union journals, and comply with union instructions without difficulties. Secondly a significant proportion of them are financial members (those members who subscribe certain amounts of 'cash' weekly or monthly to their unions), so that membership apathy wouldn't affect the finances significantly. Besides, in the United Kingdom, 'trade unionism' has been so well 'integrated' into both the social and economic system that one can reasonably perceive it as forming part of the British way of life - thus the organisation



carefully knitted with devoted union leaders of outstanding characters - that the rank and file can afford to 'muck' about with this type of problem without serious consequences. In Nigeria, it is quite a different picture.

First, a good majority of the workers are illiterate who cannot even read their own private letters with confidence let alone to read proceedings from previous union meetings and journals to follow events in the union. As indicated earlier in the discussion, most trade union members are not financial members - in other words though they have registered as members they do not pay their weekly or monthly dues to the unions. Whatsmore, the country has yet to appreciate what trade union functions and obligations are about before the question of accepting it as part of the social and economic system arises. Under the circumstances, the assertion that trade union membership apathy is a product of democratic institution seems to hold no grounds.

Apparently, the concern in Nigeria should be how to eliminate or reduce the problem from its present proportions, rather than its definition. In order to eliminate or reduce this problem, first, it is suggested that intense 'workers education' be given a top priority by the federal government in future labour policies. This is because part of the problem centres around the rank and files failure to appreciate the true nature and functions of modern trade unionism.

As stressed earlier in the discussion, the federal government should organise 'workers seminar' with special feature on some aspects of industrial relations such as the role, nature and responsibilities of trade unions to the society as a whole from time to time. Greater government involvement is suggested this time because over the years the few "workers education committees" organised by the unions have had little impact on the workers perception of trade union functions and roles.

Secondly, since the recent rank and file apathy is as a consequence of lack of confidence in the trade union leaders' potentials and capabilities; particularly, over their management of union finances and related issues, it is strongly suggested that these leaders be advised to mend their ways in order to regenerate membership confidence.

In sum, however, inspite of the last suggestion, what the present level of membership apathy in Nigeria needs is intense 'workers education' so that workers can fully appreciate what trade unionism is all about; otherwise membership apathy would be difficult to eliminate. And this will seriously affect the conduct of industrial relations and in particular, the collective bargaining process.

(ii) Problem of size and union multiplicity

Apparently, trade union multiplicity is no longer considered to be such a major problem as it was few years ago. This is because of the catalogue of measures taken by the federal government in the mid-1970s. For example, in 1973, the trade union Decree NO. 31 of 1973 which stipulated that 'no less than fifty workers may legally form a trade union'<sup>65</sup> was promulgated. The Decree further provided for the formation of and amalgamation and federation of small registered trade unions into bigger and more viable organisations. Another measure was the introduction of a new National Labour Policy in 1975 (discussed earlier in the text) which among other things called for the de-registration of unions of self-employed persons that registered under the repealed trade unions ordinance of 1938; who were not organisation of workers' as defined in the trade unions decree NO. 31 of 1973.

Prior to these measures, the entire trade union structure was described as being irrationally proliferated and outdated.<sup>66</sup> Undoubtedly, this description adequately portrays the 'Nigerian trade union structure before 1977 indeed as had been indicated earlier in the text in Table 16 and figure 3 respectively - thus the preponderance of small unions especially 'house unions' with relatively small membership in size. As figure 3 has shown it can

be seen that almost two thirds of the unions had 250 members or less. The few largest unions with 50,000 or more members accounted for less than one percent of the total membership. Of the 1008 unions recorded in 1975 for example with a total membership of 755,955, over 100 unions had a membership of not more than 50 each.

As emphasized earlier, the union 'size' problem was further complicated by the multiplicity of trade unions (Table 16). The comprehensive list of trade unions which was prepared in the office of the registrar of trade unions in 1977 shows a total number of 936 registered unions. Out of this number, 721 unions were found to cover workers organisations (later used to form the current industrial unions); 50 unions were connected with supervisory/management staff associations, 44 related to employers' associations. The remainder (115 unions to be precise) termed 'miscellaneous' represented associations of self-employed persons or individual owners of various businesses which by definition should not have been called trade union organisations.<sup>67</sup> The net effect of this union multiplicity on the Nigerian trade union has been to incapacitate the Unions in their bargaining rôle, performance and cohesiveness. The question that arises is, what can the trade union multiplicity in Nigeria be ascribed to in the years preceding 1976/77?

Undoubtedly, various factors are responsible for this multi-unionism. However, what is still not clear is the extent these factors were actually responsible for the situation. Firstly, it is held that the legal provisions for the registration of new trade unions

enshrined in the trade union ordinance of 1938, mentioned earlier in the text were extremely permissive.

The provisions provided for 'any group of persons or employees of up to five or more in number the right to constitute themselves into a trade union'.<sup>50</sup> The argument is that, the provisions had the effect of encouraging proliferations within the unions instead of preventing it. For no sooner it became clear that any group of five or more persons could form 'any thing' and called it a trade union and get away with it, than splinter groups or factions started turning out new unions like 'cars' coming out of the production lines.

Indeed, during these periods, mere differences in opinion or ideas expressed between individual members in a social club or other related institutions usually resulted in a split and the formation of new unions. For example, the split of the (TUCN) (Trade Union Congress of Nigeria) the first trade union to be formed into two unions - the NNFL (Nigerian National Federation of Labour) and the TUCN (Trade Union Congress of Nigeria) was to some extent a consequence of mere differences in views or ideas between the trade union leaders. For what happened was that a group of trade union leaders (the radicals) favoured an affiliation with the N.C.N.C (National Council of Nigerian Citizens (formerly the National Council of Nigeria and the Cameroons) a political party; while the other group (the conservatives) did not want any form of affiliation with political organisations, arguing that trade unions should be excluded from politics. Since they

could not agree on a common 'tenet' there was a disagreement which led to the formation of a rival federation, the NNFL (Nigerian National Federation of Labour) in March 1949.

Trade union matters which in normal circumstances were not subjects of contention and prolonged debates were suddenly turned into protracted and heated arguments by members who were confident of eating their 'cakes' and having them back the next moment. In other words, those who were convinced that they can easily break up their unions today and form new ones the next day as long as they were up to five members without difficulties. For example, the split of the merger central labour organisation - the All-Nigeria Trades Union Federation and the National Council of Trade Unions of Nigeria in 1961, was as a result of routine "suspension from office", which in normal circumstances would have been enforced without problems. That split had occurred when chief Michael Imodu, president of the Trade union congress of Nigeria was suspended from office. His supporters did not take kindly to the suspension, and at a meeting held at the Empire Hotel Idiroso Lagos, a new union called the Nigerian Trades Union Congress was formed.<sup>69</sup>

On the other hand, it might be argued that this (Trade Union Ordinance 1938) though permissive cannot be blamed as such for the 'union-multiplicity' during the period, because there were some provisions in the 'ordinance' which were

deliberately designed to discourage the formation of small unions. For example, the requirement that applications for registration of unions cannot be considered until after the expiration of a period of at least six months could have been discouraging enough. Moreover, in the United Kingdom, (at the same period) there was no stipulation of a particular size of membership to qualify as a trade union organisation, except that of the general law which stipulates that every association must be composed of at least two persons, (though registration was not compulsory then) requires a membership of at least seven persons.<sup>70</sup> Yet, the trend in the United Kingdom had not been for the formation of small, and weak unions of the scale prevalent in Nigeria during the period.

Secondly, the 'greediness' of most trade union general secretaries over personal aggregate incomes are seriously to blame for the union multiplicity and proliferations of the period. This is because most of these secretaries believed that their monthly income (generated from one source possibly an amalgamated union) was not enough. Hence, some of them felt that by organising several small unions whether viable or not in addition, such unions could be avenues for extra income. Indeed, reports of a union secretary being in charge of six to seven small unions in the years before 1973 were widespread. For example, in 1949, Nduka Eze was the general-

secretary of a UAC company union as well as secretary to other company unions and the Nigerian Labour Congress (the Central Labour organisation then).<sup>71</sup>

The only exceptions to the above statement were those few unions which were granted 'check-off orders' after 1961, when the compulsory check-off system was introduced (though later abandoned). Even so, the check-off system during the period was very defective because, it was subject to union 'officials' manipulation. In a survey of the financial returns of 62 unions which practised the check-off system in 1966, it was found that the salaries and allowances of trade union officials jumped from £26,500 to over £44,500 within a year; while the payment of grants to ordinary rank and file members totalled only 2.5 percent of the unions' receipts.<sup>72</sup> As a consequence, these general secretaries with deep-seated interests, in the affairs of small and unviable unions abhorred, challenged and contested any move towards amalgamation, federations or mergers during these periods. In addition, most of them protested against mergers and amalgamations to 'safe-guard' their jobs, since certain amalgamations or mergers would mean the loss of job or displacement.

Thirdly, it is held that the attitudes of most Nigerian employers had a lot to do with the trade union multiplicity. This is due to the fact that a significant proportion of these employers promoted and encouraged the formation of 'house' or company unions (discussed



earlier in the text) which they preferred to negotiate wages and related negotiable items with because of the 'house unions'<sup>s</sup> weak bargaining position.<sup>55</sup> Nationally organised unions with the potentials, skill and tactics for "negotiations" were seen as major threats to the company by the employers since they wouldn't be able to bribe their way through as they did with the house unions. As a result, such large and powerful unions were either banned from operating in the companies or allowed to operate in industries where the union representatives would be 'mere shadows of themselves'. In other words, operating under the domination of the employers with virtually no form of trade union authority.

Fourthly, that ethnic and regional considerations helped to encourage multi-unionism in the country. In that, they have the tendency of promoting union factionalism or in creating rival foci of interests. For example, immediately after the Decree of May 1967 which created the first twelve states in the country, trade union leaders started organising unions within the boundaries of the new states.

Consequently, within the first five months of 1971, 17 unions had been registered with the names of the newly created State Governments boldly included in their descriptions.<sup>74</sup> Examples of such unions include: the Kwará State Washermen Association and the Western State Stone, Sand and Gravel Blasters and Diggers Union. The logic behind the formation of these kinds

of unions might not necessarily be for industrial or economic reasons alone, political consideration might be one of the main reasons - thus to promote the image of the newly created state so as to gain further unqualified state 'identity'. However, if conceived as political rather than economic gesture, such patriotism has had the unfortunate effect of creating more small, unviable unions into being, than its political considerations.

Furthermore, it is held that trade union multiplicity in Nigeria during the period was as a consequence of diffusion of 'industrial enterprises' to areas widely divorced geographically and poorly served by the communication net-work in the country. The point being made here is that trade unions established in industries located in 'remote areas' with no means of effective communication find it difficult to be in 'constant touch' with the 'parent unions' in the city centres. As a consequence, when such local unions 'sought for an advice or clarifications of certain industrial relations matters from the 'parent union' located in the city and fail to get such an advice the tendency then would be for the 'local' union to resort to making do with any piece of advice or information gathered locally. If this situation (break-down in official communication) was allowed to continue for a very long time, 'close-ties' with the parent union in the city centre would become loose and highly questionable. The result would be a 'break-off' from the parent union in the city by the local union; on the grounds

that the 'parent union' was no longer or have lost the interest of its members outside the city centre. Within weeks of this 'break-off' a new trade union would emerge under a different name with fresh policies and objectives. T.M. Yesufu underscores this point, while commenting on some pockets of Timber and Rubber establishments in the Benin, Delta and Ondo provinces; He pointed out that

"because of the 'remoteness' of some local unions from any means of transportation or communication, organisation at the local level becomes a sine quanon."<sup>75</sup>

The question then is what is to be done to prevent a similar situation arising again. As noted earlier, the problem is now under control, what is needed is the tightening up of those measures guiding trade union formation, and registration since a relaxation of these measures would mean the preponderance of small and unviable unions once more in the country.

Furthermore, it is held that the present number - seventy national unions and associations for labour movement is far too many, that this number should be further reduced to fifty or even less. By reducing the number of national unions and associations the authorities would create rooms for more effective control; and more importantly, a significant proportion of industrial unions would become self-financing. The provision in the Trade Unions (Amendment) Decree No. 22 of 1978 that fifty workers can effectively form and register as a

trade union should be further re-examined, for it seems to suggest an 'invitation' to the formation of more unviable unions. The number should be increased to at least 250 or more workers to curb possible trade union proliferation.

(iii) The Nigerian employers negative attitudes towards the Trade Unions.

In the industrialised countries such as the United Kingdom and the United States, employers (private and public) do not advocate the elimination of the trade unions no matter the degree of their differences. Nor do they resist the formation of unions in their firms or companies for fear that their prerogative powers and authority to control the firms would be taken over by the trade unions. There are no extensive anti-union campaigns to either discredit or undermine the nature, functions and tenets of the trade union movement. Generally, hard feelings about trade unions are sporadic and only at the peak when there are threats of an industrial action. Good examples being the ASLEF Drivers/British Rail, and the Health Service Workers (COHSE) cases, in June/July 1982. In both cases, neither of the employers - British Rail nor the National Health Service called for the total abolition of the trade unions concerned, rather what did happen was intense union-management negotiations.

At the end of the ASLEF (Associated Society of Locomotive Engineers and firemen) Drivers/British Rail dispute, the B.R. management did not single out the ring leaders or the trade union organisers of the strike for special punishments - such as transfers from the city centre to a remote village; and outright dismissal. These pessimistic views of trade unionism and the application of retaliatory measures for industrial action rarely find expression in the dictionary of the labour-management in either countries.

In Nigeria, however, the situation is different, though it must be stressed that a small proportion of employers with positive attitudes do exist. That is those who have adopted very progressive industrial relations policies in their firms or companies believing that workers everywhere have the right to organise into trade unions for collective bargaining purposes as in the developed countries. Nevertheless, a good majority of these employers do not believe that the trade unions have a place or should have a place in the labour-management relations. Not because they are unaware of the ILO (International Labour Organizations) convention 98 on workers' 'right to organise and enter into collective bargaining with employers'. Infact (NECA) (Nigerian Employers Consultative Association) which a significant proportion of them are affiliated to is guided by many international labour organisations conventions such as those relating to termination of employment on employers' initiative, social security, industrial accidents and occupational safety. Moreover, N.E.C.A.

normally nominate its delegates to the ILO annual conferences on the practice of industrial relations within these employers ranks. In effect, the question of labour-management affairs 'awareness' among these employers seems a bit remote.

In the circumstances, one might ask why are these employers so indifferent? Answers to this question are simply that, some group of employers regard trade union organisations as big threats to their prerogative powers and authority to run their companies.<sup>76</sup> Secondly, most employers perceive the trade unions as obstacles to the overall survival of a company. This is because they feel that trade unionism is synonymous with industrial conflicts - strikes, lockouts and related issues, which have the effects of distorting production and profitability levels in an organisation. The views expressed by some managers and NECA officials during our surveys support the above explanation. For example, when a NECA official (Assistant Director) was asked: why some employers do not often welcome the idea of having a trade union organisation in their firms'. He replied:

"My good friend, but why should one like to associate himself with an organisation which does not want ones progress. To be realistic our trade unions are not like those you see in the developed countries such as the United Kingdom, which are aware that the economic interest of their members depend much on the progressive performance of the employers; in that as profits increase wage demands and related issues are adjusted. Nigerian trade unions are highly politicised, with ethnic and tribal sentiments finding expression

in almost all their functions as trade unions. Most employers feel that the best approach is to keep them as far away as possible. The last point I don't subscribe to because unions and management have to work as a team."

Again, a personnel manager from Lever Brothers (Nigeria) Ltd. (see chap.6.15) who was asked the same question observed:

"I think we must admit that it is difficult for a man after several years of personal efforts to bring up a company to accept an organisation or movement in his company which would after some times start demanding equal power in decisions affecting the running of the company, hence, most employers reluctance."

On the other hand, some people might argue that these negative 'attitudes' are not unique to Nigerian employers, arguing that in every part of the world, wherever a strong and articulate trade union organisation exists it usually constitutes to the employer a restriction of his power, and a potential danger in the labour-management relations. Judged by the United Kingdom experience particularly, in the early fifties and sixties, the Nigerian employers grim-faced attitudes are not out of proportions, however, what is most disturbing is the ferocity with which it is meted in Nigeria. The trade unions being treated as if they had come from another 'planet' and no longer that part of the institutions engaged in the task of social and economic development. Take for example, the question of trade union recognition, which is very vital to the

conduct of industrial relations because of its effect on both Unions and employers in collective bargaining. Recognition gives the unions a sense of achievement; secondly it gives them the impression that they are actually part of the decision making process in the company, since they take part in wage and related negotiations on equal terms with the management.

As far as the trade unions are concerned recognition by employers is a source of inspiration. To the employers, trade union recognition helps to reduce trade union 'suspicion' of management on certain key industrial relations issues. In addition, it helps to reduce threats of conflict within the firm which normally distort production.

Trade union recognition in Nigeria was seen in a different light by the Nigerian employers, as a consequence, it constituted a major problem which the trade unions had to face until 1978 when trade union recognition by employers was made compulsory by the federal government through the Trade Unions (Amendment) Decree no.22 of 1978. Section 22(2) of the Decree stipulates that:

'If an employer deliberately fails to recognise a registered trade union such an employer would be liable on summary conviction to a fine of N1,000.00.<sup>77</sup>

Prior to 1973, when the first move to accord recognition to registered trade unions was made by the Government through the Trade Unions Decree No.31 of 1973,<sup>78</sup> employers were not under any obligation to recognise registered trade unions in Nigeria, even though the trade unions ordinance of 1938 had legalised trade unionism. T.M. Yesufu underscores



this point, he notes:

"In Nigeria, there is nothing to compel an employer to recognise a trade union or to deal with it. While the trade union ordinance sets forth the conditions under which a union may legally operate, there is no provision for compulsory recognition of a union by an employer".<sup>79</sup>

Consequently, only very few unions were accorded employers recognition during the period and they were mainly the strong and powerful ones. These include: The Defunct Amalgamated Union of UAC African Workers of Nigeria, the Nigerian Union of Teachers and the Railway and Ports Workers' Union.

In spite of this lack of 'legal' obligation, one might ask: why were the employers not keen in recognising the trade unions for collective bargaining purposes during during these periods? Some of the reasons given were: that an employer might refuse to recognise a trade union because in his view the (JCC) Joint Consultative Committee (an employer/employee discussion forum), 'can do the job of a trade union'.<sup>80</sup> Secondly, most employers (foreign employers) refused to recognise unions on the grounds that 'African workers were not 'ripe' for trade unionism or for collective bargaining'.<sup>81</sup>

In any case, the merits of the foregoing arguments aside, the fact remains that they were able to gain grounds and hinder trade union recognition because of lack of 'legal

obligation' on the part of the employers for the recognition of unions.

Indeed, the issue of trade union recognition during these periods in Nigeria contrasts with the experiences in a country like the United Kingdom (at least after the second World War) where employers were compelled by law to recognise trade unions for collective bargaining purposes. It must be admitted, however, that compulsory union recognition during the period was not all together successful because the courts perceived the procedure as an infringement of an individual liberty. The case of *Grunwick v Acas* (Advisory Conciliation and Arbitration Service) in 1978, on recognition being a classic example of the failure of this legal compulsory recognition, of trade unions. In this case, the House of Lords ruled that ACAS's report recommending recognition of APEX (Association of Professional, Executive, Clerical and Computer Staff) by Grunwick Management was void. Lord Salmon in the House of Lords accepting Lord Dennings (then master of the Rolls) earlier views in the Court of Appeal on the nature of ACAS recommendation for recognition commented:

"Such an interference with individual liberty could hardly be tolerated in a free society unless there were safeguards against abuse."

82

However, inspite of this fear of possible infringement of individual liberty, legal enactments existed to deal with the issue of trade union recognition. For

example, the Conservative government in 1971 enacted the Industrial Relations Act 1971, which introduced the legal right for registered trade unions to apply for recognition by employers. And whereby an employer refuses to recognise a trade union for collective bargaining purposes the trade union had a statutory right to apply for recognition. In addition, the Labour government's 1974 (TULRA) Trade Union and Labour Relations Act further made provisions on the question of trade union recognition. What's more, under the EPA 1975 (Employment Protection Act ss 11-16) now repealed by the EA (Employment Act 1980) s.19(b) trade unions certified as independent trade unions had the right to apply to ACAS for a recommendation for recognition by an employer for purposes of collective bargaining.<sup>83</sup> No doubt, these series of enactments made it easier for trade unions to obtain employers recognition.

On the other hand, it might be argued that the British trade unions were faced with similar problems years before the recent laws on trade union recognition were passed, that Nigeria's case is by no means unique. Surely, such a counter argument would hold and even perhaps gain more ground had the Nigerian employers refusal to recognise trade unions been done in a more rational and sophisticated approach. Because, it is not uncommon to see most employers in Nigeria inciting tribal or ethnic rows within a trade union organisation, with deadly and unfounded accusations; such as the leadership being dominated by union prone and militant Ibos. Or other forms of highly sensitive accusations that would create 'suspicion' among the ethnic

groups (Ibos, Yorubas and Hausas) in the union, in an effort to destroy that trade union:<sup>84</sup>

Moreover, whereby the foregoing strategy proves ineffective most employers would resort to either transferring the union officials to the remote villages in the country side where, it is believed that their 'guns' would be silenced. In other words, in areas where their capacity to influence the rank and file members would be significantly reduced. Employees who participate in any form of industrial action could face outright dismissal. Hence, it is held that most Nigerian employers attitudes towards the trade unions have something more than a refusal to accord the unions recognition. The belief among most trade union officials is that, a good number of employers are bent on destroying the trade union movement in the country.

The vital question then, is how can this problem be solved? Luckily, the New National Labour Policy of 1975 coupled with subsequent Decrees particularly the Trade Unions (Amendment) Decree NO. 22 of 1978 discussed earlier in the text, brought in some relief over the issue. Trade union recognition for collective bargaining purposes is now automatic on registration by employers, as well as the Nigeria Labour Congress and the Federal Government. This being the case, a number of suggestions would be made. Firstly, it is suggested that

the Nigerian employers be 'advised' to adopt a more positive attitudes towards the trade unions which would enable them (employers) to tolerate the idea of trade 'unionism' in the labour-management relationship. This is because, legal sanctions though very useful in certain cases, are usually not an effective 'medicine' for attitude change.<sup>85</sup> Particularly, if on the negative side, since sanctions would have the effect of creating a temporary attitude change while leaving the central issues unresolved. Nigerian employers need to recognise that the trade unions are part of the economic and social system, agents of social change actively involved in the task of nation building; as recent NLC 'communiques' since 1980 have demonstrated. For example, one might ask, if the Nigerian trade unions were not part of the 'economic system' why should the NLC's National executive council resolve among other things at its 17th meeting in July 22nd 1980, on the issue of Air lifting of Nigerian Pilgrims to Mecca' that:

"Congress demands that in accordance with Decree No. 16 of 1975, the airlifting of Nigerian pilgrims to Saudi Arabia be handled by the Nigeria Airways while the welfare of the pilgrims is handled by the Nigerian Pilgrims Welfare Board. Congress condemns the unpatriotic role of the Nigerians who deprive our National carrier - the Nigeria Airways the privilege to carry out its mandated function in preference to foreign monopolies."<sup>86</sup>

Moreover, if the trade unions are so 'selfish and cared' only for the welfare of their members as current employers attitudes seem to suggest, why should the same NLC's National Executive Council be bothered about the 'old pensioners' who are no longer their financial members? On the minimum pension issue, the NLC noted:

"the ₦33.00 per month minimum pension being given to pensioners as a national disgrace in the light of our present day level of socio-economic development. Therefore, congress demands that minimum pension should not be less than the national minimum wage at any given time."

87

Undoubtedly, the foregoing NLC's resolutions on these 'sensitive issues' have clearly demonstrated that the Unions have objectives, roles and owe a certain degree of obligation not only to their members but also to the general public, and hence deserve a more positive attitudes from the employers.

Apparently, what is needed is a high degree of co-operation and mutual understanding between the Nigerian Employers Consultative Association (NECA) and the Nigerian Labour Congress (NLC) which would enable both institutions to deal with every aspect of labour-management problems with less emphasis on Decrees and sanctions. It is not being implied here that legal enactments are unnecessary per se, more so, in a country where the employers can be very difficult to deal with. Rather what is being argued, is that under the circumstances;

it is a change of attitude which would touch the very heart of the problem that is required and not the one that would merely "Scotch the snake without killing it" as legal sanctions tend to do.

Furthermore, it is suggested that intense management, labour education (discussed earlier in the text) be encouraged, not only to involve workers and trade union leaders in the cosmopolitan city centres of Lagos, Enugu and Ibadan; but should be 'structured' to embrace workers, managers and trade union officials in provincial centres, such as Abakiliki, Umuahia, Zaria, Ondo and Warri, who actually require this 'special' education.

In this chapter we have been able to examine the role of the Nigerian trade unions in pay determination and some of the organizational problems facing them which have seriously affected both their limited bargaining role, and the effectiveness of collective bargaining process in the country. To give collective bargaining a chance of survival, it was strongly suggested that intense labour/management education be encouraged at all levels for a more positive attitude towards collective bargaining process by the 'social actors', particularly, among the employers and the government.

FOOTNOTES TO CHAPTER FIVE

1. In 1955, the first Prime Minister of Nigeria, Tafawa Balewa reaffirmed governments' confidence in the effectiveness of voluntary negotiation and collective bargaining for the determination of wages, see Annual Report of the Department of Labour, 1954/55, para 20.
2. Duncan, C.M. and Leigh, D., "Wage determination in the Union" and "Non-union sector", *Industrial and Labour Relations Review*, October 1980, Vol.4. 34. No.1. See also Johnson, G.E. - "Economic analysis of Trade Unions" *American Economic Review Papers and Proceedings*, 1975. See also Johnson, G.E. "The determination of wages in the Union and Non-union sectors" *British Journal of Industrial Relations*, London, July 1977.
3. The *Journal of Developing Areas* (JDA) issues of July 1968, and January 1971, pp.165-174.
4. Warren, W.M., "Urban Real Wages and the Nigerian Trade Union Movement, 1939-1960", *Economic Development and Cultural Change*, xvi. October 1966, pp.24, 35035. See also his rejoinder under the same title and same *Journal*, xvii, 4 July 1969.
5. Berge, E., "Urban Real Wages and the Nigerian Trade Union Movement: Economic Development and Cultural Change 1969, pp.405-414.
6. The *Journal of Developing Areas*: Vol. 5, No.2, January, 1971, p.155. (Further comment on the Kilby/Weeks Debate).
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CHAPTER SIXRESEARCH METHODOLOGY AND CASE STUDIES OF THE TWO ORGANISATIONS WHERE THE INVESTIGATION WAS CARRIED OUT.6.14 Research Methodology

This chapter sets out to examine the 'research methods' used in the process of obtaining 'data' for the survey, and some of the difficulties encountered. It is also the intention of the chapter to describe, and compare and contrast, the two organisations where the survey was carried out. The choice of the two organisations, may be arguable; however, in the main, both were chosen because of the nature of the 'sample frames' found in both companies which met the basic sample requirements for the investigation of this magnitude.

The study is confined to the title of the investigation though interesting issues have been explored in the process. In order to obtain adequate and relevant information for the inquiry, 'reactive' and 'non-reactive' methods of data collection were used.<sup>1</sup> On the reactive side, an exhaustive series of surveys were carried out; while on the non-reactive area (use of secondary sources) books, government publications, statutory documents, and periodicals and related publications, were exhaustively used.

(a) Field-work

The field work which spread over several months was carried out during the 'Spring/Summer' of 1981 at two Lagos based companies - Lever Brothers Nigeria Limited and Nigeria Airways Limited. The survey was done in two phases: the first was the 'Pilot stage' which lasted for a period of six weeks. In this phase, the researcher was able to Pre-test some of the 'multi-techniques' to be used during the actual survey such as administering of questionnaires, interviewing and sample control.<sup>2</sup>

Pre-testing was done in such an informal manner that the employees hardly realised that they were engaged in an academic survey. Most of them even had the impression that their company was carrying out its annual job appraisal scheme which normally demands the sacrifice of a fraction of their time'. If this initial approach had been formalised as such, it could have seriously affected the actual or main survey scheduled for two months later. Because both managements could have found it difficult to convince their employees for another 'time' sacrifice within such an interval.

The pilot survey was of great significance to the entire survey in that, first, it provided the 'Researcher' with the opportunity to re-examine the whole package of survey techniques available. For example, from the results of the pilot survey it was possible for the 'researcher' to discover that the 15 minutes allocated for individual interviews was not sufficient and that time was adjusted to 30 minutes. Secondly, after the pilot survey, it became apparent that the services of three Nigerian Assistants would be required. The assistants from various ethnic or tribal backgrounds (Ibo, Hausa, and Yoruba) would help as interpreters since most of the employees from both companies came from rural areas. Thirdly, the pilot survey afforded the 'researcher' the opportunity to examine in more detail some of the dichotomous questions that characterised the questionnaires, with a view to determining those that required re-structuring and other related issues.

Fourthly, the researcher was able to realise that it would be quite rational to reduce the 'sample frame'



from 3,000 as originally planned to 1,000 employees (that is 500 workers from each company instead of 1,500) for more efficient and effective control. Moreover, the pilot survey provided the researcher the opportunity to know more about the companies in terms of management and the general disposition of employees.

Phase Two of the survey started in April 1981 a week after the three-day national strike declared by the NLC<sup>3</sup> had been resolved. This phase involved the actual administration of both the questionnaires and the interviews - structured and unstructured. At this stage, unlike the pilot survey, the management of both companies became deeply involved with respect to interviews and other related issues which the survey demanded.

(b) The Samples

In the course of the enquiry, a cross-section of employees and managers from both companies - Lever Brothers Ltd and Nigeria Airways Ltd were interviewed. In addition, some other institutions such as government agencies and officials, trade union officials and university lecturers were also interviewed mainly by unstructured interview technique.

Employees:

The sample consisted of 1,000 employees drawn or selected from each of the company's annual 'Staff Returns' from various sections and departments. Table 17 depicts the overall rate of response in the survey by the employees. Of the 1,000 employees selected, nearly 15 percent were found to be 'ineligible' due to various reasons: some were under age (below 17 years), secondly most of them had been in the service for less than three months. The assumption here being that, an employee with less than six months working experience does not stand a chance of knowing on a reasonable scale what is going on in the company in terms of the hard-core Labour Management Relationship.

In the Nigeria Airways Ltd., 266 employees (53.2%) were found to be eligible for interview. While at the Lever Brothers Ltd., 310 employees that is 62 percent responded.<sup>4</sup> Furthermore, as table 17 shows, 20 percent of those with whom we sought an interview refused to cooperate for various personal reasons. Non-contacts, due mainly to sudden attack of illness with hospitalization as the ultimate accounted for 3 percent.

Managers

During the survey a total of thirty (30) managers from both companies were interviewed. These included middle managers ranging from personnel and industrial

Table 17. Response Rates of Employees of Both Companies

	All Employees		Nigeria Air		Lever Brothers	
	No.	%	No	%	No	%
Workers Interviewed	576	57.6	266	53.2	310	63.8
<u>INTELLIGIBLE</u>						
Under Age (Below 17)	109	10.9	62	12.4	47	9.4
Served less than 3. we	50	5	12	2.4	38	7.6
REFUSAL	200	20	124	24.8	76	15.2
<u>NON-CONTACTS</u>						
Ill/Hospitalized	15	1.5	9	1.8	6	1.2
Other Reasons	50	5	27	5.8	23	4.6
Total	1000	100	500	100	500	100

Source: Compiled from the raw data collected during the surveys

Relation Officers to line managers in similar grades. At the LBN (Lever Brothers) 20% or 3 managers could not meet their appointment with the researcher. While in the Nigeria Airways, 40 percent or 6 managers were unable to do so.

Up in the organisations hierarchy, the senior managers: Group Personnel Managers, chief accountants, marketing managers and group industrial relations advisers were also interviewed. However, it is important to point out, that our interviews with this group of managers were quite informal they were not subjected to rigid structured interviews and questionnaire completion as their employees.

(C) The Design of Questionnaires and Problems of Administering them among the Selected Workers

Before discussing the many-problems encountered while administering the questionnaires, a word or two about the structure or design of the questionnaire would be in place. The questionnaire designed for both companies had fifteen questions each. It was divided into two sections or parts. The first section was made up of 'factual questions' - six in number - on issues such as sex, age, educational qualification and marital status and work experience. The essence of this 'design' is to enable us discover the effects of these variables on the workers attitudes to and perceptions of the key issues - wages, conditions of employment and related issues. Empirical evidence does show that these variables do actually influence workers attitude to great extent.<sup>5</sup>

While the second part was designed to build upon the first part, and consisted of general opinion questions scaled to elucidate degrees of agreement and disagreement on the various key issues. (Appendices A & B).

In the course of the survey, one of the most hectic moments was during the administration of the pre-tested questionnaires and interviews. Because some of the employees particularly in the Nigeria Airways Ltd., blatantly refused to cooperate on the grounds that endless surveys have been carried out in the company by various research organisations - government and private institutions alike. These had raised workers expectations but had produced no apparent benefits. Moreover, as the enquiry was being conducted at a time when the National Airline had been subjected to mounting criticisms from both government officials and the general public because of its poor financial performances, it was not easy to get the total cooperation required of the employees. Most of them were afraid of giving information relating to their financial remuneration away to researchers or any other group of information 'hunters' since many thought that it could seriously jeopardise their promotion chances. The leader of the 'luggage loaders' in charge of the afternoon shift told the researcher and the assistants one afternoon while the team was trying to obtain certain information from him: "OGA make you leave us alone, we have been told not to discuss about our pay and conditions of work with anybody; I beg you people go and meet our bosses in their offices".<sup>6</sup> This response simply implies that the leader was not prepared to give

any information relating to their pay and other related issues.

On one particular occasion, a clerk demanded to know how much the researcher was prepared to offer them in terms of cash payment before even accepting the questionnaires; despite the fact that the purpose of our survey had been made known to them a month earlier.

What's more, the 30-minutes individual interview was perceived of as 'time wasting' by most of the employees. As a consequence, out of 500 employees selected for the survey only 266 of them showed up. (See table '17'). Unfortunately, this apparent stalemate could not have been solved by reporting to the management for official action. After all the employees were under no obligation to co-operate with the team.

However, after a series of consultations and discussions with some academic friends at the University of Lagos, we decided to adopt a more subtle, informal and flexible approach so as to win back their confidence. Firstly, we decided to change the interviewing venue from the offices to the nearest staff canteen; secondly, to meet the employees in small groups of say five or four during their break periods and have them lavishly entertained in the canteen a day or two before the scheduled interviews. Clearly, as a result of this 'entertainment first' and interview later approach the turn out became more reasonable and in addition employees were prepared to give some vital information to the researcher and

and his assistants. Though the new approach was at extra financial cost we were able to complete the survey in the company without further problems.

At the Lever Brothers Nigeria Ltd., however, it was quite a different picture. Prior to the researcher's commencement of the survey in the company, the chairman/managing director, and academics had made elaborate arrangements towards the exercise. Heads of various departments were given the tasks of arranging for suitable 'venues and times' for administering both the questionnaire and the half-an hour individual interviews without serious disruptions to their daily production schedules. Consequently, the questionnaires were distributed to the selected employees through their various sectional heads a week before, with specific instructions on how and where to submit completed questionnaires.

As for carrying out the 30-minutes interview, however, one has to stress that there were anxious moments indeed. To the team's greatest surprise, some of the employees conducted themselves in a manner quite contrary to expectation during the process. For instance, some would just come into the interviewing room only to walk out after few minutes without answering a question put forward by the researcher and his team. Others would come in only to question the researcher why successive surveys carried out in the firm in the past have not had a positive outcome. In fact, at a certain stage it does seem to the 'team' that the employees were saying 'now

look here, we gave you our best while you were administering the questionnaire this time it wouldn't be easy going, you have to pay of course by cash for our cooperation. This uncooperative attitude was particularly exhibited by the employees from the NSD (Non-Soapy Detergent) section. They felt that they were sacrificing their 'break-periods' (the ideal time accepted by the management for conducting the interviews) in the most unrewarding manner.

Once again, to counter this apparent negative attitude by these LBN workers, we decided to revert to our old tactics of 'entertainment first' and interviews later' as we did in the previous company - the Nigeria Airways. To this end, we made elaborate arrangements with the canteen staff as to the time', and the number of our selected employees that could be attended to each time. Although the financial cost was enormous but it was more economical than the previous company. What's more the strategy worked and the workers started reacting more positively to our requirements. Anyway what is instructive in the foregoing discussion is that it does highlight the extent of corruption in that society, and further reinforces that 'language of corruption' accepted even in the highest places "that nothing goes for nothing".

In the course of the survey, visits were made to some institutions such as the trade union secretariat at Surulere Lagos; the Nigeria Employers



Consultative Association (NECA) based at Yaba, Lagos for interviews with the officials. The Federal Ministry of Labour and Productivity, the Central Bank of Nigeria (its research and development department), and the Federal ministry of economic development were also visited for informal interviews with officials and document collection. In addition, the federal office of statistics offices at Ikoyi were visited and useful statistical information made available to the researcher. Moreover, during the survey the researcher was able to have some useful academic discussions with some of the academic staff at the Universities of Lagos, Nsukka and Ibadan. The Daily Times of Nigeria Ltd with its resourceful 'data bank' which dates back into the early sixties and seventies was another useful spot the researcher called at in search of valuable material.

(d) Limitations

Specific limitations arising from the survey must be delineated because in a survey of this magnitude, it is quite natural that problems would arise including both sampling and non-sampling errors. We must admit that the bulk of the limitations were consequences of non-sampling errors (such as lack of records, non-responses and non-contacts). Our experiences in the Nigeria Airways Ltd., at the height of the survey, reinforces this lack of records assertion. The research officer in the Airline acknowledged that the

company had no reliable record.

Furthermore, we must admit that our sample did not include workers from other industrial locations in Lagos such as Ilupeju, Isolo and Badagry. This was deliberately done because of the specific nature of the study. In all and all, problems of non-sampling errors - the major limitation -

in particular the lack of records, was seen as a challenge to the researcher and his assistants and hence forced them to utilize all available resources with the result that the work is based on a wider range of sources than originally envisaged.

6.15 CASE STUDIES - A COMPARATIVE ANALYSIS.(A) Lever Brothers (Nigeria) Limited

This section is mainly concerned with the description, comparing and contrasting of the two organisations - Lever Brothers Nigeria Ltd., and Nigeria Airways Ltd., where the investigation took place. Special attention would be focused on the following issues: Ownership/control, workforce, and industrial relations activities, particularly in the area of labour/management conflict. The choice of the organisations for this study, as pointed out earlier, is dictated mainly by the nature of 'sample frame' found in both companies - i.e. large workforce, and years of experience in industrial relations matters particularly in aspects of pay determinations.

Lever Brothers (Nigeria) Limited is an incorporated company engaged in the manufacture and sale of detergents, edibles, sundry food/drinks and toilet preparations. Lever Brothers (Nigeria) Limited, one of the oldest surviving and perhaps most progressive manufacturing companies in the country is the 'brain child' of the son of a Bolton greengrocer, William Hesketh Léver.

The man who through sheer entrepreneurial ability became one of the founding fathers of Unilever Limited. The name Unilever, coined in 1929 (after the death of William Hesketh Lever in 1925) was an amalgam of Unie Margarine of Netherlands and Lever Brothers of England.<sup>7</sup> Consequently, two limited companies emerged - thus the Unilever Ltd., London and Unilever NV Amsterdam, albeit under common board of directors. Each company gives the other free access to its patents, trade marks and production processes.

Unilever, under its overseas programme, extended its business activities into Nigeria, there it was incorporated as West African Soap Company, on April 1923. In 1924, it became fully operational at the Apapa location. It started with the production of laundry soaps of the Key, Sunlight, and Magnet brand; by 1951 Lux tablet soap was introduced into the Nigerian market. On February 19th, 1954, a Nigerian, Lady O.M. Abayomi opened a margarine factory which was registered under the name Van Den Bergh

(Nigeria) Ltd., at Apapa-Lagos. In the spring of 1955, the two companies merged and formed what is known now as the Lever Brothers (Nig.) Ltd., (LBN) with its head-office at Dockyard Road, Apapa. Two years later, the Aba branch based in the former Eastern region of Nigeria now Imo State, was opened, with the initial production of Laundry soaps. In sum, Lever Brothers (Nigeria) Limited is an offspring of Unilever Ltd Overseas Plantations Group.

(i) OWNERSHIP

LBN is owned jointly by the parent company - Unilever Ltd London/Unilever NV Amsterdam and by some Nigerian businessmen. Before the federal military government indigenization Decree in 1976,<sup>8</sup> the Unilever owned almost 95 percent of the equity. However, the position changed soon after the 1976 decree in favour of the indigenous entrepreneurs who now owns 60 percent of the company, while the Unilever has 40 percent of the share capital. The present structure of the board of directors reinforces this share capital distribution. There are eight Nigerians on the 'Board', three British and a Netherland national.

(iii) NATURE OF BUSINESS/PRODUCTS

Lever Brothers since its formation in 1955, has moved from a 'Bar soap' making factory to a multi-product company now. As emphasized earlier, Lever Brothers is engaged in the manufacturing and marketing of detergents, edible oil fats and toilet preparations. LBN's development pace since 1955 has been very considerable. For example, in 1963, it started making tooth-paste and Astral cream at the Apapa factory; a year later (1964) one of the most complex and modern equipped factories was opened at Apapa - the Non-Soapy Detergent (NSD) factory. By 1967, it was able to produce 3,000 tonnes per annum, now the capacity has gone up to 50,000 tonnes per annum.

Moreover, in 1979, LBN entered into a new area of production altogether - drinks - consequently, the 'Tree top' fruit and drinks were introduced at Apapa. The recent addition to its catalogue is the 'Black currant' fruit drink a Ribena equivalent. Barely twenty-six years after formation LBN today produces a wide range of products which can be grouped under four main headings, namely:

1. Detergents soaps and NSD e.g. Lux and Omo.
2. Edibles - fats, dairy, Blue Band Plants and Holsum margarines.
3. Sundry foods and drinks
4. Toilet preparations.

However, for the details of the products produced and their current prices see appendix E.

(iii) PRODUCTION TECHNOLOGY

Each of the four production plants at the Apapa location is made up of a net-work of complex modern equipment. These production plants are built to specification, specially adapted to meet the needs of a particular product such as sundry foods and drinks. Production in the plants is carried out through a chain of intricate chemical processes or reactions; consequently there is evidence of low-manning in the production lines. The industry is one of the few capital intensive industries in the country. Most of the raw materials used for production are semi-processed materials imported from the United Kingdom. An example of the production system is presented here to illustrate some of the chemical processes involved in the production of the detergents such as Blue Omo and Surf.

There are three sections in the plant, namely, the packing section, sulphonation and making section. Basically, there are no differences in the making of Omo and Surf, the only difference arising from colouration.

### Chemical Process

The first chemical process is sulphonation (making of A.D.) (Active Detergent), the material that actually washes materials (clothes, etc.). After sulphonation the next chemical process is called 'process burning' which is burning of sulphur to melt into 'dry air' to form sulphur dioxide  $SO_2$ ; which is used to sulphonate alkali benzene and sulphuric acid. After neutralizing the mixture with sodium bicarbonate ( $NaHCO_3$ ) the resultant product is the Active Detergent Pest.

The next process is to move the A.D. Pest into storage tanks, ready for the next chemical reaction called Slummy-Making which is in the making section of the NSD plant (non-Soapy Detergent). Here, the A.D. Pest is put in a mixture of sodium alkaline synalite and water (at this juncture blue dye is added if Omo) and sodium carboxite-lecramy sulphate (STS) and Sodium Cellulose (SCMC) and Sodium Mylemate Tripreymene Phosphate (STPP). After these various chemical processes, the mixture which contains 40 percent slummy moisture and 8 percent mushallin is pumped through the pumps ready for drying. Drying the mixture into powdered form takes place in a giant tower containing hot air of about  $350^{\circ}C$ .

On cooling, the powder is perfumed at the packing stage, this process is called floridization. Equally at the section it is adequately ensured that each finished packet carries the right label, and the right quantity. This process is supervised by the powder handling unit of the



section. At the end of this last process, the product is despatched to the warehouse for onward transmission to the various consumers.

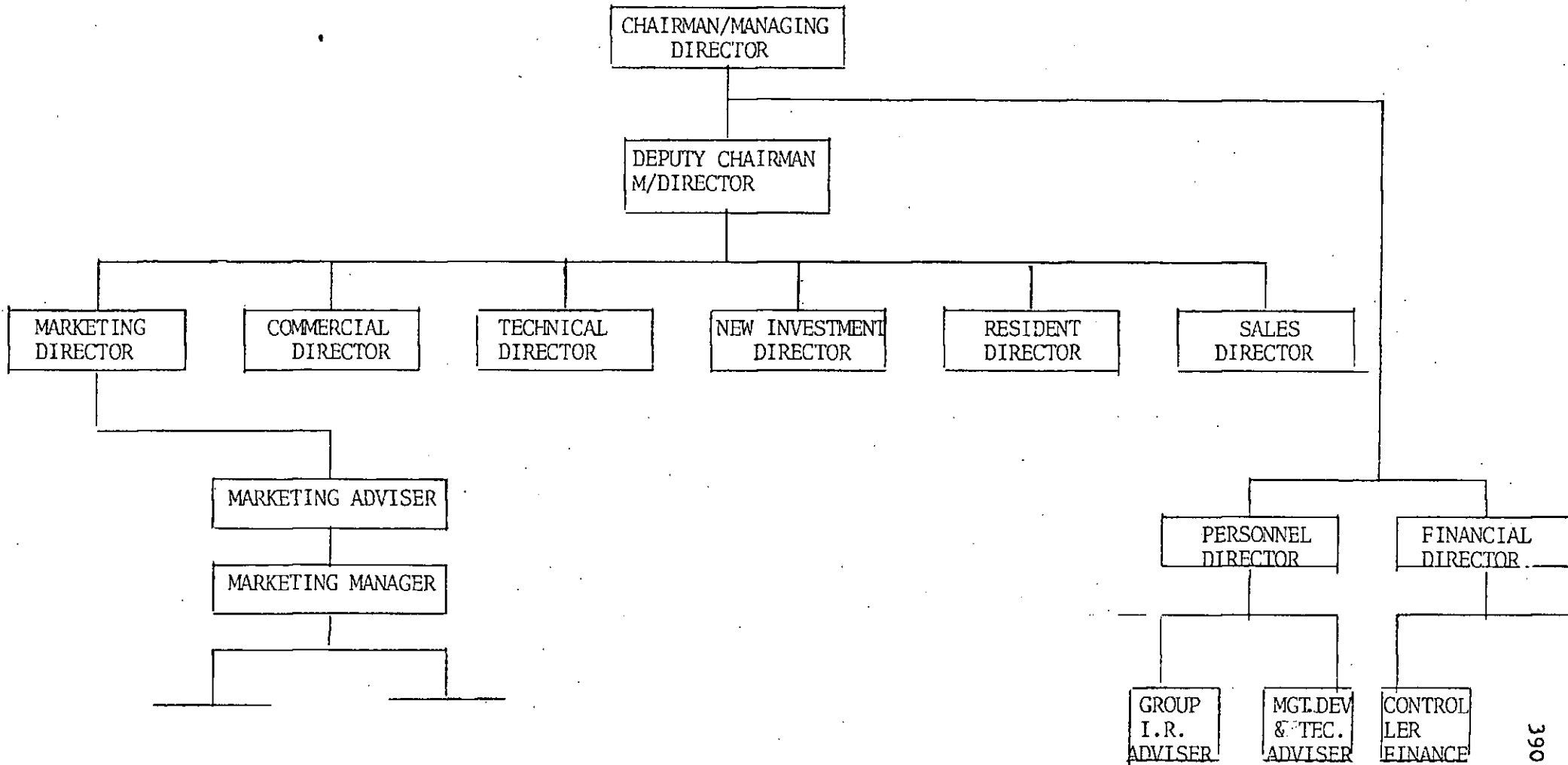
Two of the features which need to be emphasised are firstly, the low level of manning in the production lines and: secondly, there is a high degree of specialization on the shop floors. Moreover, there are no signs of alienation and estrangement among the relatively elderly and young workers on the production lines which are the symptoms of automation in modern factories.

#### (iv) ORGANISATION AND CONTROL

For proper co-ordination and the ultimate realisation of its organisational goals, LBN is organised into seven divisions or departments under a chairman who is also the chief executive. Lever Brothers (Nig.) Ltd has a total of twelve directors including the chairman. Out of the twelve directors, nine are executive directors while three are non-executive directors - six Nigerians, two Britons and a Dutch. These men are charged with the overall responsibility of formulating and interpreting company policy objectives. In addition, they supervise the tactical and operational plans within the various functions. Table 17 shows the LBN's organisational chart.

To give a vivid account of the company's various functionaries, perhaps an examination of these directors

Table 17.1 The LBN Organisation Chart



responsibilities in more detail first would be in place. First, the vice-chairman, who is also the deputy director of the company, acts on behalf of the chairman whenever he is away on other duties. He is also responsible for supervising the works of the technical, commercial, marketing and sales directors. Both the personnel and the financial directors are under the direct supervision of the chairman/managing director (a Nigerian). During the survey, the researcher questioned one of the senior managers on the logic behind the company's organisational set-up which looks a bit unusual, in that the other directors were reporting directly to the deputy chairman/deputy managing director. The senior manager (Director of Personnel) replied:

"My friend, the essence of this arrangement is to reduce as much as possible red-tapes inherent in our modern businesses so as to generate smooth, undistorted co-ordination and communication throughout the organization".

The Technical Director supervises the actual transformation of the raw materials into finished products. It embraces the reception and refining of oil and production of soaps, non-soapy detergents, edible and toilet preparations. Also included are the maintenance or modification of the electrical and mechanical equipment, and the technical services department which handles the packaging designs, development and quality control of products. This department has a works director (based

at Aba), who supervises the daily operations at the Aba factory. The department also incorporates the technical efficiency section which is presently manned by work study experts.

The Marketing Director is charged with the responsibility for presenting the finished products to be consumers. His department is also involved in marketing research, forecasting, test-marketing and market analysis. The new Investment Director has the overall task of interpreting strategic LBN policies which allow for improvements of its market share and profit margins through factory expansion.

The Commercial Director heads the department which performs auxiliary functions to support and ensure the smooth running of the technical department. The department's functions include planning, buying, of raw materials, warehousing and distribution of the finished goods.

The Personnel Director is charged with the recruitment, selection and placement of employees as well as their training and development. Equally, his department is responsible for welfare and industrial relations, translating and maintaining the company's personnel policies and problems. The personnel division or department handles the company's security and health services.

Next in line is the Financial Director who supervises the services department with the assistance of the

Administrative Manager. These include the legal department, the Company Secretary who deals with company secretarial and legal matters ranging from such issues as transfer of shares to the handling of claims for damages. Also included is the financial controller who looks after the section of the company's finances. The department's activities range from cost control to the analysis of financial positions. The department also monitors cost and efficient variance, control payments as well as the preparations of the company's capital expenditure and budgets.

Finally, the Sales Director is in charge of the sales department, whose task is to convert the company's finished products into cash.

#### (v) THE WORK FORCE

As at 31st March 1981, there were 499 managers at the LBN, composed of 457 male and 42 female managers. The managers are graded in the following order:

- I. Superintendents: These are immediate supervisors at the factory offices, most of whom have put in over 20 years of service in the company with a relatively very poor educational background.
- II. The Trainee Managers: These are managers with little or no job experience, mostly recruited directly from the various institutions of higher

education (Polytechnics and Universities) to be trained for functional role in the organisation.

III. The Middle Managers: This group of managers are mainly old and experienced with moderate educational background. Most of them rose from the ranks and have served the company for a good number of years.

IV. Senior Managers: At the LBN, as is often the case in most multi-national companies, there are few top senior managers. At the time of our survey they numbered below one hundred, out of a total of 499 managers. This group of managers have good educational qualification and years of relevant experience on their jobs.

Furthermore, it is interesting to note that at the LBN over 70 percent of those occupying managerial positions are graduates. Statistics of the labour force supplied by the company's personnel department shows that 3-4 percent of the managers hold a masters degree, while 0.5 percent have higher degrees such as M.Phil and Ph.D. Table 17.2 shows the occupational distribution of managers.

Table 17.2. Occupational Distribution of Managers.

Job Title	No.
Sales Managers	58
Marketing Managers	21
Accountants	65
Engineers	92
Personnel Managers	16
Production Managers	45
	<u>297<sup>1</sup></u>

Notes:

1. The Figure here does not include those managers at the Aba factory.

The table shows that there are more engineers than any other type of managers in the company. This is mainly because of the 'technical nature' of the company's business. Closely following the engineers are the accountants, the sales managers and the production managers.

OTHER EMPLOYEES

Further down the line, the following occupational distributions can be observed.

Table 17.3 Occupational Distribution of other Employees

Job Title	No
Store supervisors	37
Craftsmen	187
Draftsmen	4
Office supervisors	13
Typists/secretaries	33
Laboratory assistants	59
Radiographers	1
Nurses	5
Security Assistants	9
Operatives	2064
Instrument technicians	58
Cashiers	2
Laundry supervisors	1
Total	2473

Source: Compiled from data supplied by the IBN management

It is discernable from table 17.3 above that there is a substantial number of craftsmen in the company. After the operatives the craftsmen (the labour aristocrats) of the detergent manufacturing company form the largest single group of workers followed by the laboratory



assistants. The predominance of this type of 'workers' highlights the specialized nature of the company's business operation.

As regards the operatives which constitute over eighty-five percent of the company's workforce, the majority of them are 'first-time' employees from the various remote areas around the country. A significant proportion of them have never had any form of work experience and were only picking up wage-employment for the first time in their lives. During an interview with the researcher one of the operatives, a young man in his early twenties from Ibuzo, in Bendel State admitted:

"Oga (boss) I have never been to Lagos before, and true-true this is my first time of working for somebody and receiving money, all the time I used to work in my father's cocoa plantation."

On the whole they were young group of workers, with an average age of 19, and relatively poor educational qualifications.

However, for statistical purposes, the workforce is classified into three major groups, namely: the managers (those-occupying managerial positions), staff (from the foremen to those in related positions) and the operatives - unskilled or general labour employees. The company employees over 4,000 workers throughout the country, the figure of 2473 reflected above is only for

Apapa factory complex in Lagos where the survey was carried out.

(vi) TRADE UNION MEMBERSHIP

Lever Brothers(Nig.)Ltd., is a highly unionized company, almost all the employees(with the exception of the managers) are trade union members. The main union in the company is the Lever Brothers Workers Union of Nigeria, which is a member of the National Union of Chemical and Non-metallic Products Workers. This industrial union is affiliated to the Central Labour Organisation - the Nigeria Labour Congress(NLC): (See Chapter 2.6). There are few shop-stewards, six in number, of whom we interviewed five during the survey, one being based at Aba factory. One striking thing about these shop-stewards is that even though some of them had no good educational qualifications they shouldered their responsibilities very well.

The local union(Lever Brothers Workers Union) meets once a month at the company's main canteen during lunch-time, with members attending regularly and in good numbers. The monthly membership payment is one Naira, collected through the check-off system and paid to the local branch union(LBWU). At the Aba factory, (the Local Union), has jurisdiction

over certain consultative items - normally discussed at the company level such as laundry, shift, lunch subsidy and examination expenses are tailored to meet local conditions.

(vii) INDUSTRIAL RELATIONS

Lever Brothers (Nig.) Ltd according to Fashoyin is among the 'few organisations in the country with a formalised labour relations policy'<sup>10</sup>, and hence, enjoys industrial harmony. The company's industrial relations unit is headed by Mr. Obi, who is assisted by three Industrial Relation Officers. During an interview Mr. Obi told the researcher:

"Generally, we have good labour-management relationship in this company; I am sure you will discover this when you examine our 'industrial indicators' such as strike incidence, labour turnover and absenteeism rate."

Since the company's formation in 1955, collective bargaining has been the main mechanism for the determination of its workers wages. Before the streamlining of the Nigerian trade union structure in 1978 by the federal military government, national or industry-wide bargaining was virtually non-existent in the company. The bargaining scene was dominated by plant and informal bargaining. Following the federal government's 'Wages Boards and

Industrial Councils Decree 1973 which among other things provided for the establishment of 'Joint Industrial Councils' within the industrial groups for the purposes of industry-wide agreement, industry-wide bargaining was adopted by the company.

The industrial group's National Joint Industrial Council made up of employers and workers representatives deals with all negotiable items at the national level such as wages, salaries, hours of work and redundancies. However, within the local company level, the Local Joint Consultative 'items' such as shift, laundry and lunch subsidies are dealt with. Before recommending a particular wage level for the 'group' the NJIC would first of all consider what the government basic national minimum wage per month is. For instance, if the government's basic minimum wage was N60.00 per month, the NJIC would then recommend some percentages over and above the government's basic (usually between 17 to 20 percent).<sup>11</sup>

With respect to disputes or grievances, there is a laid down procedure for handling individual and collective grievances without violating the 'procedure' provided by the Trade Disputes Decree of 1976 No. 7 )later amended by the Trade Disputes (Amendment) Decree 1977 No. 54(See chapter 5.7). Agreement reached is normally for three-year period, with rooms for adjustments if needs be.

Earlier in the discussion, we did mention the company's 'industrial indicators', an examination of these 'indicators' now would be in place.

(a) Strike Proness

Judged by the strike statistics of similar industries around Apapa industrial area (for the years 1975-81), such as the Union Trading Company (UTC), Metal Box (Nig.) Ltd, and Trebor Mints (Nig.) Ltd; which recorded 5, 4 and 6 stoppages respectively, the LBN with only 2 stoppages is not strike prone.<sup>12</sup> Between 1975 and 1981 the company had only two stoppages as noted above - one occurred in 1975 following the Udoji Salaries and Wages Review Commission awards.<sup>13</sup> As one of the personnel officers - Samuel Uwaluekeh explained during an interview with the researcher:

"The strike, my dear was as a result of the Udoji 'National Cake'. But the irony in the whole issue is that we are not government employees which the so-called Udoji Cake was meant for."

The second and perhaps the only major industrial stoppage was in 1979 when there was a row between management and the employees over canteen seating arrangements. The strike involved all the employees from the supervisory grade down to the operatives, and lasted for five days (Table 17.4). Since 1980 to date no stoppages (resulting from Labour/Management relationship), have been reported.

Table 17.4. Lever Brothers (Nig.) Ltd., Summary of  
Stoppages 1975-81.

Year	No. of stoppages	No. of workers involved	Duration of strike	Cause of strike
1975	1	1214	1 day	Sympathy strike resulting from Udoji Award.
1976-78	-	-	-	-
1979	1	Entire workers 2428	5 days	Canteen seating arrangements
1980	-	-	-	-
1981 <sup>(1)</sup>	1	Entire workers 2528	4 days	'NLC' days of action

Source:

Compiled from data gathered from LBN Labour Records, and magazine (Lever News) etc.

Explanatory Note:

- 1.- The figure is for the 1st quarter of 1981; and NLC stands for the Nigeria Labour Congress.

(b) Labour Turnover

Because of paucity of statistical information from comparable companies such as the Union Trading Company (UTC) and Metal Box (Nig.) Ltd., the issue could not be given a vigorous analysis. However, during an interview a senior personnel manager told the researcher:

"Among the member companies in our industrial group the company recorded the lowest labour turnover rate last year; it was between 5-6 percent. I thought we are alright in this respect."

The personnel manager's claim was later confirmed by the Assistant Deputy Director of the Nigeria Employers Consultative Association (NECA) during an interview with the researcher.

(c) Absenteeism Rate

In sharp contrast with labour turnover rate, absenteeism rate is fairly high at about 20 percent although when compared with the prevalent rate in similar industries around Apapa, it can be said to be moderate. For example, UTC (Nig.) Ltd., Metal Box (Nig.) Ltd and Trebor Mints (Nig.) Ltd recorded 25, 22 and 23 percent respectively in the same period.<sup>14</sup> An examination of the pattern and nature of the company's monthly absenteeism rate shows that absenteeism among the junior employees is particularly high during the months of April to October each year (Table 17.5 and Fig. 4).

Table 17.5. LBN Absenteeism Record<sup>1</sup> 1980-81.

MONTH	NO. OF EMPLOYEES
April	89
May	103
June	135
July	128
August	108
September	109
November	58
January	93
February	108
March	115
April	185
Total	1231

Source: Compiled from data supplied by management.

Explanatory Note:

1. According to the personnel officer in charge of NSD section) the absenteeism record reflected here is the normal yearly pattern (at least for the last five years).



The table shows that in November each year, that there is usually a sharp drop in the number of workers reporting absent from duty. The explanation offered for the trend is that between November and the first week in December employees tend to be regular on duty in order to generate enough 'cash' which will enhance their purchasing power for the Christmas shopping. As the company's group industrial relations adviser Mr. Obi noted:

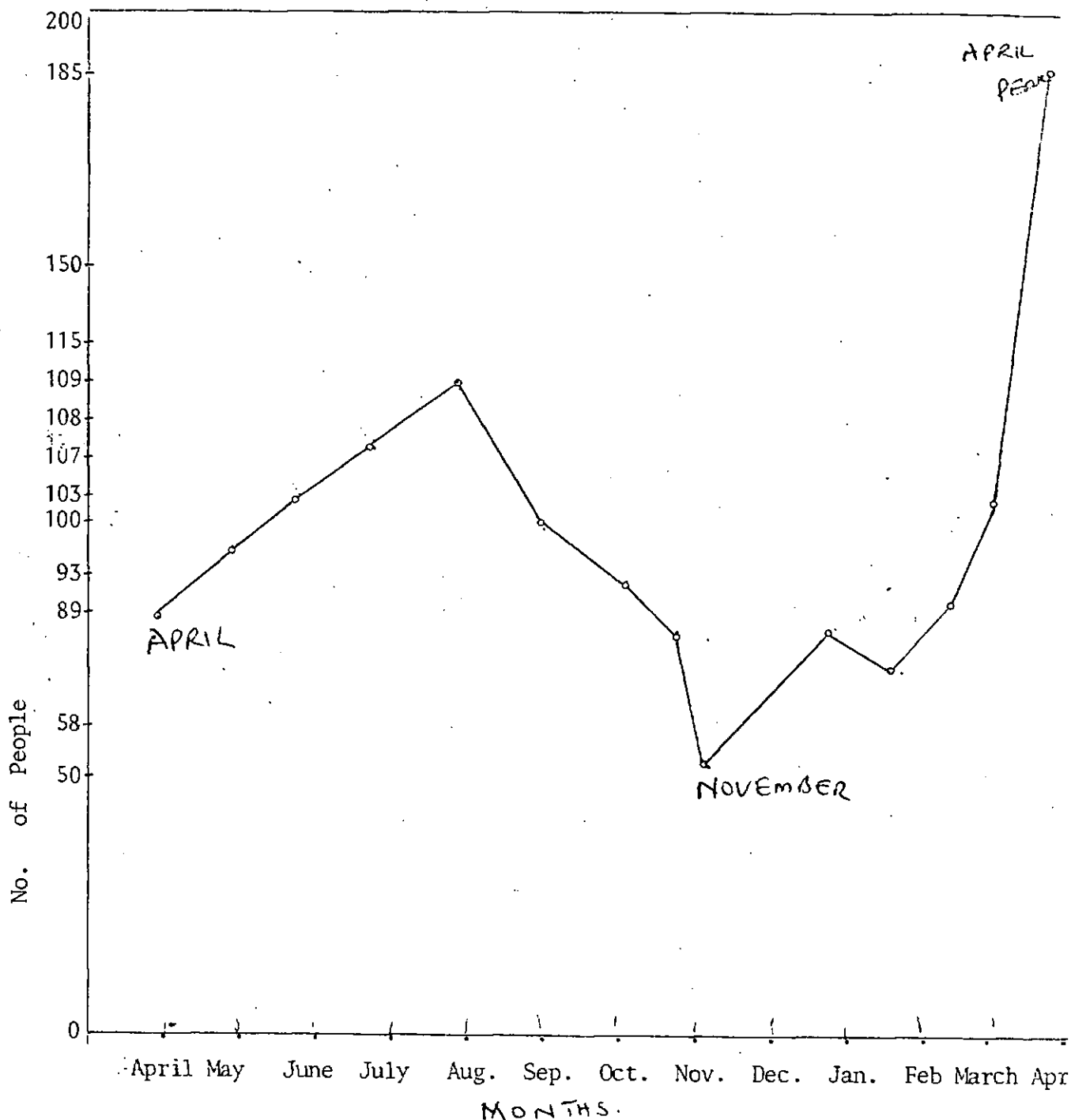
"During each November, we are always a 'full house' and employees work like 'donkeys' in order to make enough 'Naira' for the Christmas shopping. After November, it is always a problem."

Ironically, in the middle of December, the number starts rising again because, at this time most workers are now inclined to leave their jobs to do Christmas shopping. In fact, often most of them would decide from there to go on 'unofficial holidays', perhaps in order to get the best of the Christmas festivities. As the personnel director - Chris Enuke noted:

"At this time of the year, there is usually a Christmas hysteria among our junior employees which usually result in a cut down in production throughout the factory."

However, as indicated in table 17.5 by January the absenteeism rate will start to decline. The main reason being that many of the workers are now short of 'cash'

Figure. 4. Graphical Representation of LBN Absenteeism Rate April 1980-April 1981.



Source: Compiled from LBN Labour Records for the last twelve months April-1980-April 1981, Dockyard Road, Apapa: Lagos.

after the Christmas 'bumper' shoppings, in effect, they start being more serious with their jobs again. This trend will continue throughout February and part of March, after which the rate starts picking up again (Figure 4). In view of the group industrial relations adviser's perception of the issue, the researcher asked him: Please what is an "acceptable" level of absenteeism in this company? He replied:

"As far as we are concerned the 'acceptable' level is anything between 50-60 absentees per month. I can assure you anything more than 'this level' is unacceptable to the company".

In sum, it can be argued that the current statistical evidence on the few 'industrial indicators' though fragmentary suggests a high degree of industrial harmony at the Lever Brothers (Nig.) Ltd.

(B) NIGERIA AIRWAYS LIMITED

Although the colonization of Nigeria was completed in 1900, and the amalgamation of its Northern and Southern provinces completed in 1914, it was not until after 36 years, that significant commercial aviation talks really started in Nigeria. Prior to this date, the history of aviation in this part of the world had been largely dominated

by the Royal Air Force. However, an Airline that was to serve Nigeria, Africa and the rest of the world in commercial aviation emerged in 1959 as one of its advertising periodicals noted: "Nigeria Airways, we have come a long way". 15

Immediately after the first World War, a group of Royal Air Force aircraft flew from Khartoum (North Africa) and landed at Kano Racecourse, and this was recorded as the first powered flight to Nigeria. Incidentally, during this time one of the R.A.F. pioneering Pilots discovered that Nigeria's climate, topography and wind pattern was ideal for flying. Consequently, further flights were made, this time from Sudan and Egypt to Kano; the pilots using racing grounds and polo fields as suitable airfields.

During this period, three other Royal Air Force pilots were making regular flights between Lagos and other parts of the country, while the Cairo-Kano flights became an annual service. Additionally, through the efforts of the Imperial Airways, predecessors of the British Overseas Airways Corporation (BOAC), Nigeria became the first African country to have Air Postal services.

The year 1936 saw the start of commercial aviation in Nigeria with increased frequency in weekly services between Khartoum and Lagos. However, during the Second World War, civil aviation in Nigeria was suspended; but soon afterwards the West African Airways Corporation

(WAAC) was established to serve Nigeria and other West African countries. <sup>16</sup> The West African Airways Corporation which was organised by four West African countries under British administration (Ghana, Nigeria, Sierra Leone and Gambia) became insolvent after thirteen years of commercial aviation, and later surrendered its services to the 'Nigeria Airways'. By May 1st 1959, the Airline became the sole national flag carrier after the federal government had bought all the shares owned by WAAC.

(i) Nigeria Airways Fleet

Graduating from the use of aircraft such as Doves, Herons, DC.3, and Piper Aztecs, in the early days, the national airline took a step forward by acquiring short, medium and long range jets. Initially it was the Fokker 27 Turbo Props, followed by its faster and more comfortable sister the Fokker 28. Within seven years the airline had bought the Boeing Strato Cruisers - B707 and 737. As the business progressed the airline entered into chartered agreement with the BOAC and eventually a Vickers D.C.10/10s Jet joined the fleet.

At the time of the research, the airline owned a fleet of twenty-four operational aircraft, made up as follows:

<u>AIRCRAFT TYPE</u>	<u>NUMBER</u>
Vickers DC 10/10s	2
Boeing 707	3
Boeing 737	3
Boeing 727	2
Fokker 28	6
Fokker 27	8
<u>Total No.</u>	<u>24</u>

The airline hopes to increase its 'fleet' between 1982 and 1984, for its domestic and international services. For the domestic services - 10 Boeing 737, to phase out the current Fokker 27 series which is becoming increasingly uneconomical to operate. As the Chief Logistic Officer noted during an interview with the researcher:

"We intend to buy more Boeing 737 aircraft to replace the Fokker 27 series. We are operating the series at a loss, this stems from the fact that only few Nigerians like to travel with the aircraft, in recent years."

For its international route, the airline plans to buy four A 300 Airbuses, and two Macdonald DC 10/10s. The company intend to lease four Boeing 737 from TARI, a subsidiary of Irish Airline. Apart from acquiring new aircraft, there is also a corresponding increase in the

number of international routes which the airline is now operating; and arrangements have now reached advanced stages for the opening of new routes.

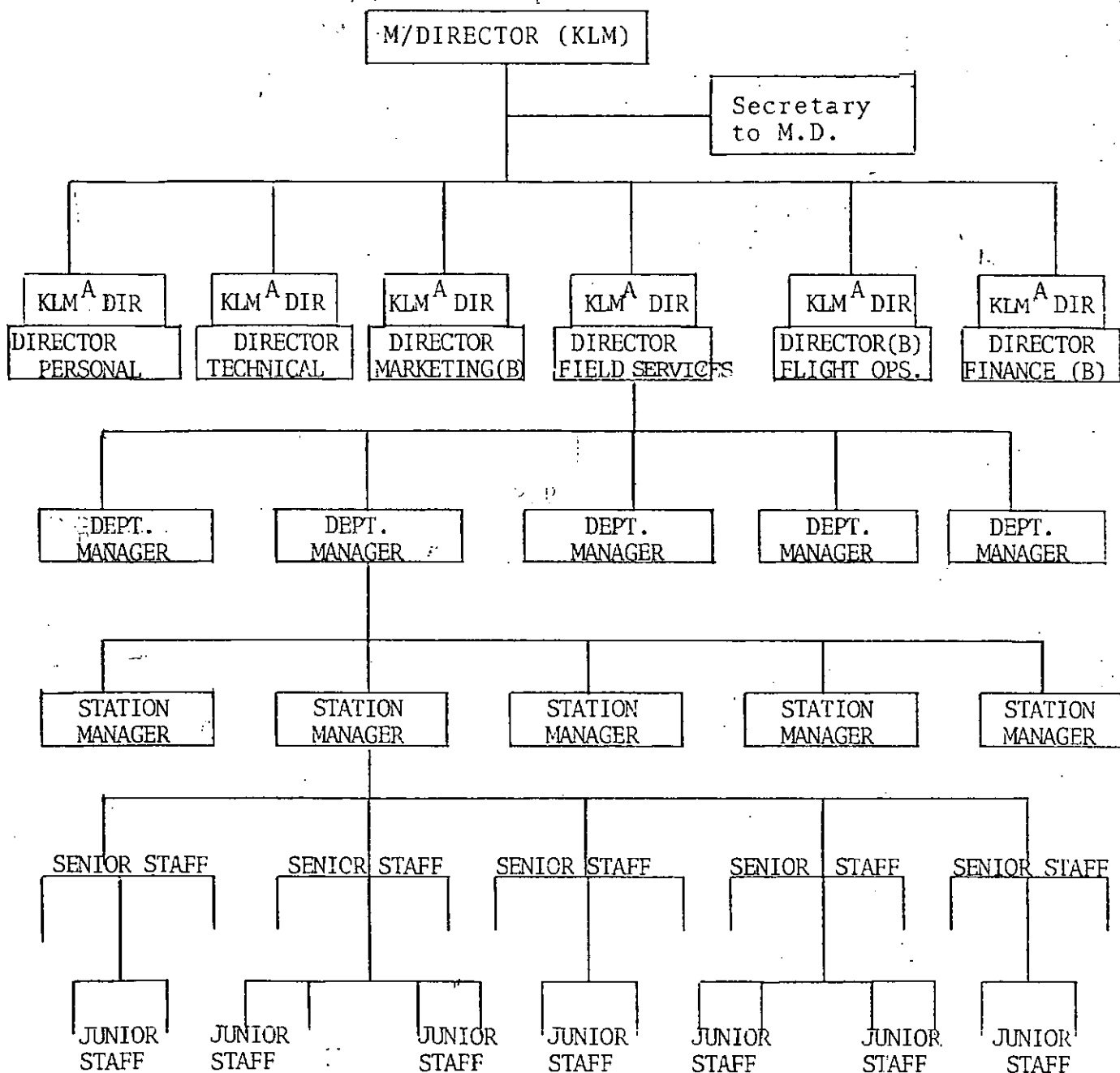
(ii) OWNERSHIP/ORGANISATION/CONTROL

Nigerian Airways Limited is a state owned company, under the supervision of the federal Ministry of Civil Aviation. The affairs of the airline are managed by a Board of Eight Directors. Among the eight directors one comes from the Federal Ministry of Aviation, two from the Ministry of Transport and Ministry of Economic Development respectively, while the remaining five comes from within the organization. However, in September 1979, the Federal Military Government contracted the management of the Airline to KLM (Royal Dutch Airlines). Table 17.6 reflects the airline's organisation chart.

There are ten departments altogether in the company, namely:

The Technical Service Department (which is the largest)  
Marketing  
Field Services  
Audit  
General Administration  
Managing Directors  
Finance

Table 17.6 The Nigeria Airways Organisation Chart Sept.'79-Sept.'81



Note: 1. In the Chart A, Directors are the KLM Supervisory Directors while 'B' Directors are the Nigerian Directors awaiting end of contract.

Source: Department of Administration, Nigeria Airways, Airways House, Ikeja



Flight Operations and;  
Company Secretary/Legal Departments.

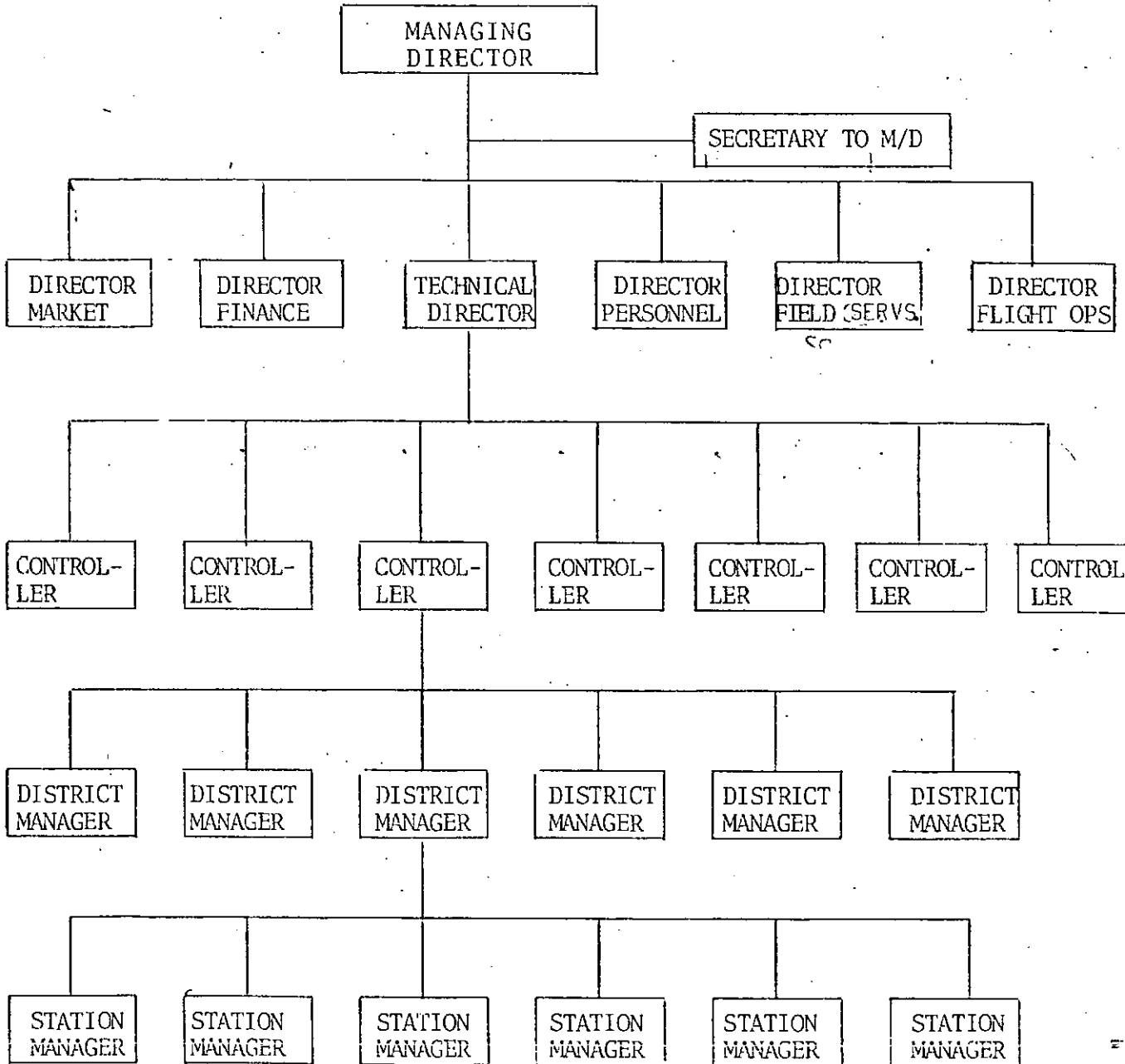
Each of the departments is headed by a Supervisory Director - a KLM official and Functional Director (a Nigerian with little or no decision-making authority). In other words, authority flows from the KLM supervisory directors in each of these departments.

It is worthy to note, however, that the current management structure of the state airline has been a constant source of controversy within the airline. Moreover, the structure has attracted much criticisms from members of the public who are seriously blaming the then Federal Military government for the unacceptable management structure. Most Nigerian elites regard or view the government action, in inviting the KLM officials, as an affront, a sort of 'colonization' of Nigeria's economy.<sup>17</sup> However, since 1982 certain changes have taken place within the airline's organisational hierarchy. The most significant change being that the KLM hired managers have vacated their posts, thereby giving Nigerian managers the chance once more to occupy decision-making seats. Table 17.6a shows the current organisation chart.

(iii) NATURE OF BUSINESS

The name of the airline depicts actually the nature of its business. Simply it is engaged in the carrying of people (passengers) and goods (cargo) from one

Table 17.6a. Current Nigeria airways Organisation Chart



## Explanatory Notes:

1. Reporting to the Controllers are the 'Chief and Principal' Officers for example Accountants.

Source: Same as Table 17.6.

destination to another; usually from one country to another (in the international scene); and from town to town locally. The airline covers domestic and international routes. In the domestic route it serves thirteen cities in the country from Lagos: and plans to open new airports in five towns within the next few years. However, the main problem with the domestic operation is that it is only profitable during Christmas season. While between June and October each year the number of passengers usually drop to as low as forty percent. For example, in 1980, over 300,000 passengers were carried; of this number 100,000 or 33 percent was carried during the month of December alone.

In the international route, the state airline serves more than 18 capitals in three continents of Europe, North America and Africa with a good network for transit connections to most East European cities such as Berlin and Moscow. The most profitable route in the international connections is London-Lagos. For example, in 1980 the airline earned a total revenue of over ₦7 million Naira from this route, and from January to December the same year it carried 75,675 passengers, 1,310,955 kilograms of cargo and 217,622 kilograms of mail from London to Lagos.<sup>18</sup>

On the whole, the airline serves 20 cities, 40 towns, 7 countries and 3 continents. A detailed analysis of passengers carried by 'carrier' (yearly measure of performance particularly when other carriers are involved

in a route) for the year 1980 is shown on appendix (F). The routes covered by the airline both domestic and international are reflected on appendix (G).

(iv) THE WORKFORCE

The airline employs over 8,000 workers throughout its 21 in-land stations in the country. Lagos, the head office of the airline, has over 5,000 workers, followed by Kano station with 800 workers. The smallest station is Zaria, a town in the former Northern Region, which has only 9 (nine) staff. At the time of the survey there were 1707 senior staff and 5432 junior employees in the company. The highest number of workers are employed in the Technical Services Department, over 1,600, closely followed by Marketing Department which employs 1,447 workers.

Employees of the airline are classified into two broad units - the Ground Personnel and the Aircrew. The ground staff is composed of the Administrative, Marketing, Finance Field Services and logistic employees. While the air personnel (crew) is made up of Pilots, Flight Engineers and the Cabin Attendants (Air hostesses and stewards).

The airline employs over 210 pilots and 400 cabin attendants, mostly Nigerians. One interesting aspect in the pilots and co-pilot career which needs to be mentioned is the network of processes which they usually undergo before reaching the captainship. In Nigeria Airways,

the basic type of aircraft is the Fokker 27 (F.27). To qualify for a place on the right hand seat of the F.27; pilots have to pass the Air Registration Board's various tests and gain a considerable amount of route experience. From the F.27, the pilot graduates over a period of years (4-5) to the right hand seat of other more sophisticated and larger aircraft, by the 'same processes of courses, tests and supervised flights both locally and inter-nationally.

At the top of co-pilots career, comes the command, and once again the captain starts all over from the F.27, and graduates over a period of years to the top of the left-hand seat (usually the captain's seat in the aircraft). Flight engineers also have a career structure similar to that of the pilots, the difference being that the Flight engineers do not graduate to command aircraft but rather mature into senior pilot-engineers.

The Cabin attendants are mainly young men and women, secondary school graduates with an additional few years training on various airline subjects. At the airways training school Ikeja, most of these cabin attendants are taught a range of subjects relevant to their role such as child care, service, and knowledge of wine and food.

The ground personnel include: the loaders, ticket sales clerks, clerical officers, ramp officers

and technicians. The luggage loaders are based in the departure/arrival baggage halls. Their duties include arranging passengers, luggage for customs examination and carrying luggage, after examination into the aircraft.

The ticket sales clerks are at the various Air Booking Centres (ABCs). Their duties include booking reservations for passengers and selling of airline tickets. The 'Ramp' officers oversee that passengers, cargo and mails that have passed through the airline's 'records' get into the aircraft for their various destinations. The clerical officers as usual handle the clerical duties in the various departments - opening new files, preparing time sheets, and updating the company's records. Finally, it is the duty of the technicians to service and maintain the airline's aircraft fleet. Most of them are trained to handle all types of aircraft from F.27 prop-engines to the more sophisticated Boeing series. To up date the knowledge of the staff in various functions the management organises regular courses at the airline's various stations.

(v) TRADE UNION MEMBERSHIP

The level of union membership at Nigeria Airways is relatively low, under 40 percent of the workforce is unionised. There are two 'industrial unions' in the airline:

- a. The National Union of Air Transport Services Employees (NUATSE) which is mainly for the ground staff; and
- b. The National Association of Aircraft Pilots and Engineers (NAAPE) mainly for the Engineers and Pilots.

The two unions are affiliated to the Nigeria Labour Congress (NLC) - Central Labour Organisation. Unlike the ground staff, trade union 'density' is very high among the pilots and engineers, over 60 percent of the Pilots/Engineers are members of (NAAPE) the pilots union.

It is worth noting, however, that within the airline, NAAPE - the pilots and engineers union is the only effective union, the other union, NUATSE, is weak, mainly because of its inability to meet the expectations of its members particularly, over wage/salary issues and conditions of service. With respect to trade union subscriptions, the ground staff pay one Naira (₦1.00) per month, while the pilots and engineers subscribe ₦5.00 per month.

(vi) STATE OF INDUSTRIAL RELATIONS

It is very difficult to present a true picture of the state of industrial relations in the national airline because of a dearth of information. However, fragmentary evidence gathered during unstructured interviews with some managers in the airline suggests a picture of disorder and disruptions. The statistics of the usual 'indicators' such

as labour turnover and absenteeism rate examined supports this assertion.

Like all the other state-owned organisations<sup>19</sup> in the country, the airlines wages and other conditions of service are determined through the 'centralised' wage system.<sup>20</sup> The only group of employees not included in the system are the pilots and the flight engineers whose wages and other conditions of employment are separately determined through 'negotiations'. However, as a member of the International Air Transport Association (IATA) the airline feels that its employees are under-paid. Hence, it is arguing that its wage structure should be comparable with those of other IATA members. While this survey was going on in April 1981, the Federal Government was setting up a high-powered wage commission to examine the present centralised wage system<sup>21</sup> with a view to recommending a different wage structure for all the para-statal organisations in the country. The commission's report was published in 1982, it recommended among other things a different wage structure for the para-statal organisations. The federal government accepted the recommendation but has not been able to implement it. So far only the Central Bank of Nigeria employees has been paid the commission's recommended wage awards. The Nigerian Airways and other state-owned organisations are yet to be paid on the basis of the commission's recommendations.



With respect to the industrial indicators mentioned earlier in the discussion an examination would be in place now.

(a) STRIKE PRONESS

The airline, like its sister stated-owned organisations is strike prone. The record of industrial stoppages in Table 17.7 bears a clear testimony. From the table it can be seen that within a space of five years the airline has had a total of 16 official stoppages (i.e. stoppages which had the support and backing of the trade unions) which is above the normal average when compared with other Airlines around Ikeja. For example, interviews with some of the officials of these airlines - British Caledonian, Pan-American and the French Airline (UTA) reveal that their official industrial stoppages are very low. The British Caledonian has in the last six years had only one stoppage and that was in 1975 immediately after the Udoji Wage Commission Awards. While Pan-Am and the UTA have had 2 and 3 stoppages respectively. During the period May 1975 to April 1981 the state airline recorded over 5,000 man-days lost. Although statistical information in respect of the other airlines British Caledonia, Pan-Am and UTA were not available, the controller of industrial relations for the state airline confirmed that 'man-days lost' for those airlines were very low. In 1981, alone the state airline recorded ten un-official strikes (i.e. unofficial in the sense that it lacked both the support and backing of the unions.) carried out either by pilots or the

Table 17.7 Nigeria Airways Ltd - Summary of Known  
Stoppages. 1975 - To April 1981

Year	No. of stoppages	Strike duration or no days	Man-days lost	No. of workers involved
1975	3	5	23,300	8,000
1976	3	4	2,900	1,000
1977	2	3	2,600	800
1978	1	2	1,800	1,050
1979	2	3	1,500	500
1980	1	1	1,300	800
1981	3	4	23,800	8,000 All the employees
Total	16	22	57,200	20,150

Source:

Compiled from the company's records.

engineers, the air traffic controllers or the luggage handlers. The causes of the stoppages over the period under discussion were mainly disputes related to wages/salaries as shown in table 17.8. Ground personnel embarking on few hours unofficial strikes because of wage disparity existing between them and the 'flying crew'.

(b) LABOUR TURNOVER

Nigeria Airways labour turnover rate is alarmingly high compared with other airlines such as British Caledonia and UTA (French Airline). Although records for the preceding years were not available (because, according to the airlines research officer "they were missing") the airline's labour turnover rate for 1980 was over 25 percent. While officials of the British Caledonian, UTA and Pan-Am told the researcher that they recorded 5, 6 and 3 percent respectively in the same period. The main reason for this high labour turnover rate in the state airline as explained by the Airlines Public Relations Officer Mr. Femi Ogunleye is that each year workers, particularly trained junior officers leave the airline to join other neighbouring airlines such as the British Caledonian and UTA where staff wages and other conditions of service are competitive.

Table 17.8 Nigeria Airways Causes of Stoppages<sup>1.</sup>  
for the years 1975-1981.

	%
Wages-payment/bonus	50.9
Dismissal	1.8
Working conditions/facilities	10.8
Sympathy	32.7
Demarcation	1.8
Redundancy	1.8
Others (e.g. safety)	0.3
	100:00

Source: Compiled from company's Industrial records.

Note 1. Official stoppages.

(c) Absenteeism Rate:

At the time of our survey absenteeism rate was running at above 15-20 percent per month in the airline. At the same period the other airlines - British Caledonian, Pan-Am and UTA were recording 2, 3, 3 percent respectively. One of the personnel officers in charge of technicians (maintenance section) told the researcher that on the average 50 employees mostly junior workers absent themselves from duty daily. The monthly absenteeism record for the airline is shown in Table 17.9. The table shows that throughout the year, November being the only exception, absenteeism is high.

In conclusion, it can be argued, that significant differences exist between the two organisations in terms of strike incidence, labour turnover, and absenteeism rate. Each of these 'industrial indicators' was found to be higher in the Nigeria Airways Limited; which tend to suggest that the LBN enjoys a better labour/management relationship than the state airline.

Table 17.9 Nigeria Airways Absenteeism Record 1980 - 1981

Year	Months	No. of employees
1980	April	150
	May	130
	June	140
	July	130
	August	120
	September	125
	October	137
	November	188
	December	125
1981	January	100
	February	126
	March	139
	April	195
Total No. of Absenteeisms:		1,750

Source: Computed from company records

FOOTNOTES FOR CHAPTER SIX

1. For a good discussion of this topic see Moser and Kalton, Survey methods in social investigation, London: Heinemann Educational Books Ltd., 1979. Also see the Journal of the Market Research Society 1976 issue.
2. The Interviewers Manual of the Survey Research Centre' University of Michigan USA (1974) provides a good reading for an indepth discussion on interviewing techniques. See also Belson, W., The Design and Understanding of Survey Questions, London: (Gower Publishers, London, 1981). See also Yates, F., Sampling Methods for Census and Surveys. (Griffin and Company Ltd., 1981).
3. The three-day national strike was called by the NLC (Nigerian Labour Congress) from April 20th-23 1981, to back up their demand for good pay and improved conditions of service for workers.
4. These figures here represent the total number of employees in both companies that completed our questionnaires. Very few turned up for the 30-minute individual interviews.
5. For a detailed discussion on this topic see the following works: Zeller, R & Carmines - Measurement in the Social Sciences (The link between theory and data) Cambridge University Press 1980. Also see Yates F., Sampling Methods for Census and Surveys, published by Griffin & Company Ltd., 1981. See Kish L., Survey Sampling published by John Wiley & Sons, 1965.
6. The expression is a mixture of Pigin/English language. Pigin language is widely used in offices and market places in Nigeria.
7. History of LBN and its Present Organisation presented by the Personnel Department of Lever Brothers (Nig.) Ltd., Apapa-Lagos, 1980, pp.1-3.

8. The indigenization Decree 1976 enacted by the Federal Military Government transferred 60 percent or above of all multi-national companies (shares) situated in Nigeria to Nigerian Entrepreneurs. See Nigeria Today, (an official magazine) No.69, issue of June 1976.
9. Explained as the process of putting a particular colour(s) of 'dye' to AD (Active Detergent) mixture to produce a desired colour. For a product like OMO detergent blue dye is used for the colouration.
10. Fashoyin, T., Industrial Relations in Nigeria (Development and Practice) the process of industrial peace, other companies include: Shell-BP, The Banks and Nigerian Tobacco Company Ltd., as well as the UAC group: London: Longmans Limited 1980, p. 139.
11. In 1979, the government's basic monthly minimum wage was ₦60.00, the NJIC recommended ₦70.00 or 17 percent for the industrial group. Also in 1980, when the government basic monthly minimum wage went up to ₦100.00 per month, the NJIC's recommendation was ₦120.00 (figures came from the LBN management records).
12. The strike statistics figures were supplied by the LBN management.
13. Udoji Wages and Salaries Review Commission (for Public Service Employers) Report 1974/75. Federal Ministry of Information, Lagos, 1975.
14. The figures were supplied by the LBN management (Personnel Department) and were later confirmed by both (NECA) and the other companies.
15. Sky Power (The story of Nigeria Airways Facts and Figures) published by the advertising department. Airways House Ikeja Lagos, December 1978. Although Commercial Aviation in Nigeria started in 1936, Nigeria Airways became the sole national flag carrier on May 1st 1959.
16. Ibid., op.cit., pp. 4-5.
17. Afrik Air (An authentic Aviation Magazine for Africa) Volume 2, No. 3, 1981, p. 16.



18. Ibid., op.cit., p. 23.
19. State owned organisations include: the Nigeria Railway Corporation, Nigeria Ports Authority and the National Electricity Power Authority (NEPA).
20. Wages and Salaries determined through government appointed wage tribunals/commissions such as the Udoji & Adebo Wage Commissions.
21. ONOSUDO Wages and Salaries Review Commission (for state owned corporations) Report 1982. Federal Ministry of Information Printing Division, Lagos, 1982.

## CHAPTER SEVEN

### THE RESULTS OF THE SURVEY

#### 7.16 Questionnaires and interviews analysed.

The preceding chapter described the companies where the survey was carried out. It is the intention of this chapter to evaluate those hypotheses developed for this study on the basis of the information obtained from the survey. The main hypothesis at this point is that Lever Brothers(Nig)Ltd., workers' are generally more satisfied with aspects of their work environment than at Nigeria Airways, and this is related to the question of collective bargaining; but this relationship is 'marked' by various factors, such as age, marital status and education - and the possibility of alienation in employment.

For example, from the questionnaire responses and the thirty minutes individual interviews, we discovered that the first group of workers(between the ages of 17 and 23 years) were very dissatisfied with their pay, job, working conditions and the quality of their management. While on the other, the older workers between the ages of 45 and 57 years with little or no academic qualifications were more satisfied with their pay and related variables.

Also, in this chapter, we intend to examine the significance of worker attitudes in relation to pay

determination, their levels of job satisfaction, to management quality, working conditions and promotion prospects; in a series of hypotheses, each linked together by the underlying theory that these attitudes will be more favourable of the environment is 'conditioned' by the presence of collective bargaining. This involves looking at workers and managers' attitudes in detail, and attempting to identify special factors which might influence particular groups in more detail. However, before evaluating the hypotheses it would be in place to look at these 'factual issues' in the questionnaires mentioned above such as age, and educational qualifications which might influence levels of job satisfaction among the workers sampled in both companies.

Firstly, the older workers, all of whom were married with children, constituted 7.1 percent of the workers sampled, with considerable number of years experience in their jobs, were found to be satisfied with their jobs and pay. One of the reasons, was that with no recognizable educational qualifications such as school certificates, and the G.C.O. 'O' levels, some of them were receiving the wages of

principal secretaries and higher executive officers which on the basis of their present qualifications could not have been possible hence their satisfaction. Reinforcing the above explanation, a fifty-five year old fitter from the Lever Brothers (Nig.) Ltd told the researcher:

"We should thank our stars for the job, pay and good conditions of work we are enjoying now because of age and experience in the job with no formal qualification; had it been today that 'paper qualification is ruling Nigeria, I bet you we would not stand a chance. Because young men with long, long paper qualifications from Apapa to Ikeja Airport could have taken up all the vacancies."

Commenting on the same issue, a Nigerian Airways Luggage Loader told the researcher:

"True, true we old men still working today with little or no educational qualifications should be grateful to our God. Because with such emphasis on 'paper qualifications in recent years we couldn't even have got an ordinary labourer's job. You don't expect an employer to employ me with no qualifications when a young man with better qualifications is going without a job. Indeed we are down too lucky."

Clearly, these types of feelings among this group accounted for their high degree of job, pay and conditions of service satisfaction than all the other age groups.

Similarly, the age group (39-44) with relatively poor educational qualifications few years of job experience,

married with grown up children and constituting 11.7 percent of the workers sampled were satisfied with their jobs.

The main reason given for the apparent job and pay satisfaction was similar to that advanced by their seniors. The third group 31-38 year olds, married with young children, with higher educational qualifications such as degrees and diplomas, constituting 29 percent of the workers interviewed were found to be averagely satisfied with their jobs and pay mainly because of their family responsibilities - bringing up their young children and helping out other members of the very often large family. Reinforcing

this reason as the single most important

factor, one of the supervisors from the Nigeria Airways

Logistic Department told the researcher during an interview:

"If I say I am not satisfied with my job, and refused to do the job the way my employers want it done, and they throw me out of job, where do you think I would get job in this country now and the money with which to cater for my young children, brothers and aged parents as I am fast approaching retirement age. To me, job satisfaction or no job satisfaction is for young men and women who have no responsibilities and have not experienced anything in life."

Apparently, in the Nigerian society and in particular among the Ibo tribe, a young man who is not married no matter his educational qualification or his social economic status is hardly regarded as a 'full member' of his age group until he gets married. On getting married, he becomes fully accepted and integrated into his age group,

and hence forth he would then be given an 'audience' in any social gathering whenever he wants to address his age group, club or village meeting. The belief among these traditional societies being that once a man gets married he assumes higher responsibilities and his chances of becoming a deviance to the village or community becomes remote. The reason for this is the belief that on getting married he becomes deeply involved in the formulation of those 'norms and values' which bind their cohesiveness as a primary or traditional society.

Workers in the age group 24-30 with good educational qualifications, a substantial number of them yet to get married, accounted for 37.7 percent of the workers sampled were dissatisfied with their job, pay and working conditions. One of the reasons given for being dissatisfied with their jobs was that they were not being rewarded according to their educational qualifications. A clerical officer attached to the personnel department in the Nigeria Airways told the researcher:

"Boss, but how can I be satisfied with my job and pay, when after all these years of suffering in the school you are placed on grade level 3. You hardly notice any difference between your pay and that of a labourer who has not got such a basic qualification. It is very disgusting."

Similarly, a young man from the Lever Brother Ltd., who passed his G.C.E. Advanced Level in 1974, and was employed as 'Bar Soap Packer' in the Factory because he couldn't find a job elsewhere told the researcher:

"Look at me, after all these years in the college see the type of job I am doing. With this type of job tell me what scale of salary do you think that I would be placed? I have no grounds to be satisfied with my pay and job at all."

Finally, the youngest age group the 17-24 year olds that constitutes 14.5 percent of the workers in the survey, predominantly unmarried, with moderate educational qualifications - school certificate G.C.E. 'O' Level and higher elementary were found to be very dissatisfied with their pay, job and related issues. The reason was that their expectations were not being met. Most of them had thought that with their school certificate qualification (WASC) they would be recruited as managers with good pay and other fringe benefits, when they discovered that these expectations could not be met they started finding their jobs meaningless and estranged. One young man from the Lever Brothers Ltd (NSD) Non-Soap Detergent section told the writer during an interview:

"Before I left the college last year to be sincere, I was of the impression that with school certificate one can find a nice rewarding job. It appears we have been leaving in 'WASC illusion' (the assumption that with School Certificate (WASC) you could become a manager overnight)."

(A) HYPOTHESES

It can therefore be seen that factors such as age, qualification and family responsibilities are important influence on job satisfaction. Given that the factors influenced both organisations, the research sought to demonstrate whether:

"Workers under collective bargaining industries derive more job satisfaction from their jobs." — which brings us to the job satisfaction hypothesis.

If this hypothesis is to be regarded as of any validity, we would expect to find:

a more satisfied workforce at the Lever Brothers (Nig.) Limited, with respect to their:

- (a) various aspects of work and management
- (b) pay and the way it is determined.

As a test, workers in both companies were asked the extent to which they were satisfied with their work, and their replies recorded on a five point scale. Table 18 depicts the levels of job satisfaction among the workers in each of the companies. The table shows that 80.3 percent of the LBN workers were very satisfied with their jobs. Over 18.4 percent were satisfied with their jobs; while one and 0.3 percent of the workers indicated moderately satisfied and dissatisfied respectively.

In contrast the general picture found in the Nigeria Airways Limited whose workers wages were 'centrally determined' through government appointed ad hoc wage



Table 18. Job Satisfaction: To what extent are you satisfied with your present job?

Company	Very satisfied	Satisfied	Moderately satisfied	Dissatisfied	Very dissatisfied
LBN	80.3 (249)	18.4 <sup>1</sup> (57) <sup>2</sup>	1.0 (3)	0.3 (1)	0.0 (0)
Nigeria Airways	8.6 (23)	19.9 (53)	33.1 (88)	22.2 (59)	16.2 (43)

Explanatory Notes:

1. Percentages
2. Actual Number of Workers

commissions or tribunals was one of disappointment. From the same table it can be seen that over 22 percent of the workers were dissatisfied with their work; while 16.2 percent indicated that they were very dissatisfied.

Not surprisingly, only 19.9 and 8.6 percent of the workers were satisfied and very satisfied respectively in their jobs. Even so, the overall 28 percent or more workers who indicated that they were satisfied with their jobs were later found to be mainly semi-skilled and skilled workers such as typists, technicians and component planners. The expression of job satisfaction among this group of workers reflects the status of their jobs. A less skilled group of workers which was more satisfied was the aircraft luggage loaders. These workers received tips and other 'extra gratia' payments for their work in the luggage halls, the passenger lounge, on the tarmac and the runway.

According to the personnel officer in charge of field employees, the absenteeism rate among those luggage loaders 'was the lowest among all the sections in the Nigeria Airways Ltd'. In fact, this apparent enviable position of the loaders has earned them many enemies among their fellow workers from other units particularly from the clerical officers whose nature of job meant that they have to stay permanently in the airline offices updating records. Table 18.1 gives job satisfaction levels for a number of selected occupations in each organisation.

Table 18.1. Job Satisfaction by Selected Occupation and Company

Job Code	Very satisfied	Satisfied	Moderately satisfied	Dis-satisfied	Very dissatisfied
<u>LEVER BROTHERS NIGERIA LTD</u>					
Carpenters	38.5 <sup>(1)</sup>	23.0	23.0	7.7	7.7
Electricians	25.2	20.0	40.0	10.0	5.0
Loaders	27.6	24.1	31.0	10.3	7.0
Supervisors	15.0	20.0	40.0	15.0	10.0
Clerks	13.3	23.0	53.8	13.3	6.6
Technicians	27.8	16.7	38.8	11.1	5.6
<u>NIGERIA AIRWAYS LIMITED</u>					
Carpenters	21.4	21.4	7.1	21.4	28.6
Electricians	6.3	25.0	31.3	25.0	12.5
Loaders	15.0	25.0	27.0	30.0	15.0
Supervisors	5.0	20.0	30.0	25.0	20.0
Clerks	9.2	12.3	44.6	27.7	6.2
Technicians	10.0	20.0	26.7	20.0	23.3

Explanatory Notes:

- (1) All in percentages: - the size of the population ranges from 15 individuals (Lever Brothers Clerks) to 65 (Nigeria Airways Clerks)

The table shows that in the LBN 38.5 and 23.0 percent of the carpenters were very satisfied and satisfied respectively- as against 21.4 and 21.4 percent carpenters in the Nigeria Airways. Twenty-eight percent of the carpenters interviewed in the Nigeria Airways indicated that they were very dissatisfied with their jobs compared with seven percent in the LBN. From the table it can also be seen that the electricians, the clerks, the technicians and the supervisors with the exception of the luggage loaders, were very dissatisfied with their jobs. For example, 23.3 percent of the technicians in the Nigeria Airways were very dissatisfied compared with 5.6 percent in the Lever Brothers (Nig.) Ltd. Earlier we tried to explain why the luggage loaders were more satisfied than their fellow workers such as the electricians, technicians and the clerical officers. It was later found that 'extra gratia' payment was not the only reason behind their expressions of satisfaction.

The second reason was because of the 'working environment' which covered mainly the baggage and the transit halls. These places were found to be well decorated with good lighting, toilet and catering facilities, unlike the Airways offices, that were ill-equipped. Thirdly, their job provided them opportunities to meet and make friends with foreign visitors who might be of financial assistance in the near future to them. Nigeria Airways records show that every year a significant proportion of 'luggage loaders' leave the company for either the United Kingdom or the USA under the 'goodwill' of their foreign friends. Fourthly, the 'loaders' were hardly supervised by their

supervisors, and this created 'atmosphere' of individual accountability. Quite unlike their counterparts in other units who were subjected to constant supervision.

Surprisingly, the supervisors and the technicians from the Nigeria Airways who were supposed to be more satisfied with their jobs than even the loaders because of the preferential treatment given to them by the management, were more disillusioned. As can be seen from table 18.1 only 25 and 30 percent respectively of the supervisors and the technicians in the Nigeria Airways indicated that they were satisfied. Contrasting sharply with the 35 and 44.5 percent respectively indicated in the Lever Brothers Ltd.

During the 30 minutes interviews, the researcher wanted to know why some of the technicians were so dissatisfied with their jobs. When one of the technicians was asked to explain the reason behind their disillusionment, he noted:

"I am not happy with my job because I feel I am not being rewarded as an experienced skilled man like my colleagues in the other Airlines such as the Pan-Am (Pan American Airlines), British Caledonia and the UTA. I am quite convinced if I was working in a private organisation such as the Shell-BP, the UAC group, Nigeria Tobacco Company or African Timber and Plywood Company, I couldn't have been searching for 'Naira' with which to pay my children's school fees. Why should I then be satisfied with my job."

The next question was whether workers believed that the pay they received was a fair reward for the effort they put into their work. By focussing attention on the relationship between pay and effort it was hoped to minimise the tendency of workers to respond to questions about their pay by asserting themselves to be underpaid. Workers might answer that they believed themselves to be appropriately paid either because they were well paid or because they had confidence in the justice of the system determining their pay. Both of these reasons might be present, but if the tendencies were in opposite directions the response to the question could be expected to be inconclusive. Another possibility was that workers might answer the question in the negative because they believed that they were over-paid as well as because they believed themselves to be underpaid. This did not matter: either way such an answer would be significant in indicating lack of confidence in the system.

The answers in table 18.2 reflect the response to the pay satisfaction question. Again there is a high level of positive response from Lever Brothers and a spread skewed towards the negative end from Nigeria Airways. As can be seen from the table, 61.6 percent of the workers from LBN indicated that they were equitably rewarded, 32.6 percent had a similar impression; while in the Nigeria Airways over 32 percent indicated that their pay was not equitable with their effort. Also in the Nigeria Airways only 2.3 and 8.3 percent of the workers respectively

Table 18.2. Satisfaction With Pay: Thinking of your job and the pay that you receive for it, does the pay actually reflect the effort you put in?

Company	Very well	Quite well	Moderately well	Not very well	Not at all
LBN	61.6 <sup>1</sup> (191) <sup>2</sup>	32.6 (101)	4.2 (13)	1.3 (4)	0.3 (1)
Nigeria Airways	2.3 (6)	8.3 (22)	29.7 (79)	27.8 (74)	32 (85)

Explanatory Notes:

1. Percentages
2. Actual Numbers of Workers

Table 18.3. A Fair Days Pay and A Fair Days Work: Thinking of your wages, again, how far do you think that you are receiving a fair days pay for a fair days work?

Company	Strongly agreed	Agreed	Moderately agreed	Dis-agreed	Strongly Disagreed
LBN	4.5 <sup>1</sup> (14) <sup>2</sup>	23.2 (72)	57.1 (177)	8.4 (26)	6.8 (21)
Nigeria Airways	0.8 (2)	9.0 (24)	43.2 (115)	19.5 (52)	27.4 (75)

- Explanatory Notes:
1. Percentages
  2. Actual numbers of workers

believed that they were being equitably rewarded. From the table, it can be further seen that 29.7 percent of the workers in the Nigeria Airways felt that they were being averagely rewarded as against 4.2 percent at the LBN. The higher percentage recorded in this respect (that is on average) in the Airways was due to the high proportion of women and newly employed young workers who wanted to remain neutral.

Furthermore, workers were also asked whether they received a 'fair days pay' for a 'fair days work' and the response again showed much lower levels of satisfaction with pay at Nigeria Airways as reflected in Table 18.3. As can be seen from the table, 4.5 and 23.2 percent of the Lever Brothers' workers respectively agreed that they were receiving a 'fair days pay' for a 'fair days work'. While 57.1 percent moderately agreed. The picture at the Nigeria Airways was quite different, as can be seen in the table. Only 0.8 and 9 percent of the workers respectively agreed that they received a 'fair days pay' for a 'fair days work'. As high as 46.9 percent of the workers did not accept the view.

Enough evidence was obtained from the study which support that workers under collective bargaining industries derive more job satisfaction from their jobs than their counterparts under other forms or mechanisms of wage determination such as through independent wage tribunals or commissions. There are undoubtedly other major 'factors' outside the scope of this study that influences workers' job satisfaction.



## CONCLUSION

On the basis of the evidence obtained from the study, the hypothesis therefore, has a high degree of validity as an explanation to the view that workers under collective bargaining industries derive more satisfaction from their jobs.

## THE LABOUR-MANAGEMENT RELATIONSHIPS HYPOTHESIS

Briefly, the labour-management hypothesis may be stated as follows:

"Labour-management relationship are more cordial in industries or companies under collective bargaining arrangements."

Support for the labour-management hypothesis would be obtained if the Lever Brothers (Nig.) Ltd. showed:

- (a) More satisfied employees with quality of management.
- (b) More satisfied employees with working conditions;
- (c) more promotion prospects
- (d) Fewer industrial stoppages and
- (e) Lower absenteeism rate.

Workers in both organisations were asked how they would rate the quality of their management in dealing with aspects of the work situation, particularly employees problems and their replies recorded on a five point scale

table 18.4 Workers at Nigeria Airways Ltd., were less satisfied with the quality of their management. As can be seen from the table, over 9 and 20 percent of the Lever Brothers workers indicated that the quality of their management was excellent and very good respectively. Over 55 percent thought that the quality of their management was good, while 7.4 and 7.4 percent believed that the quality of their management was bad and very bad respectively.

At the Nigeria Airways Ltd., a different picture emerged only 6.8 and 7.5 percent of the employees thought that the quality of their management in dealing with employee problems was excellent and very good respectively. 41 percent thought that it was simply good, while a significant proportion of them believed that the quality of their management was bad (26.7) and very bad (18.0 percent) respectively. A comment by Nigerian Airways employee (a 'Ramp's officer) a middle-aged man in his early forties during an interview reinforced those figures in table 18.4. The man told the researcher:

"The Nigeria Airways management is not good. To be sincere, we have no good managers with the interest of the ordinary employees at heart; all they are after is for their personal well-being, as soon they achieved this objective, the welfare of the other employees can go to hell. I can't agree that a management with this type of attitude is good, can you accept this yourself?"

Table 18.4 Quality of Management: How would you rate the quality of your management in 'dealing with aspects of the work situation, particularly employee problems?

Company	Excellent	Very Good	Good	Bad	Very Bad
LBN	9.4 (29)	20.0 (62)	55.8 (173)	7.4 (23)	7.4 <sup>1</sup> (23) <sup>2</sup>
Nigeria Airways	6.8 (18)	7.5 (20)	41.0 (109)	26.7 (71)	18.0 (48)

Explanatory Notes:

1. Percentages
2. Actual numbers of workers

Furthermore, the workers were asked how they perceived their working conditions compared with those in similar industries. Table 18.5 summarises the responses by workers in both organisations. As can be seen from the table, 8.4 and 14.2 percent of the Lever Brothers (Nig.) Ltd employees indicated that their working conditions were very satisfactory and satisfactory respectively as against 3.0 and 15.0 percent of the Nigeria Airways Ltd. Over 67 percent of the LBN employees thought that their working conditions were average, while 6.8 and 3.5 percent the workers believed that their working conditions were poor and very poor respectively. At the Nigeria Airways only 33.5 of the employees felt that their working conditions were averagely placed; while over forty-eight percent of the workers were under no illusion over their working conditions, they believed that the conditions were very appalling.

The next question was about promotion prospects. Workers in both organisations were asked to indicate what their promotion chances were in their respective companies. Again, workers at Nigeria Airways were less optimistic with their perceptions of promotion prospects than were workers at Lever Brothers (Nig.) Ltd, (Table 18.6). As can be seen from the table 6.8 and 31.0 percent of the workers at Lever Brothers considered their promotion prospects to be very good and good respectively. In addition, 55.5 percent thought that they had a fifty-fifty chance of being promoted; while 4.5 and 2.3 percent of the workers considered their promotion prospects to be bad and very

Table 18.5 Working Conditions: Characterise your working conditions (compared with those in similar industries or firms).

Company	Very satisfactory	Satisfactory	Average	Poor	Very poor
LBN	8.4 (26)	14.2 (44)	67.1 (208)	6.8 (21)	3.5 (11)
Nigeria Airways	3.0 (8)	15.0 (40)	33.5 <sup>1</sup> (89) <sup>2</sup>	28.9 (77)	19.5 (52)

Explanatory Notes:

1. Percentages
2. Actual numbers of workers

Table 18.6. Promotion Prospects: Thinking of promotion prospects in the company what do you consider your prospects to be?

Company	Very good	Good	About average	Bad	Very bad
LBN	6.8 (21)	31.0 (96)	55.5 (172)	4.5 (14)	2.3 (7)
Nigeria Airways	7.9 (21)	18.8 (50)	35.3 (94)	20.3 (54)	17.7 <sup>1</sup> (47) <sup>2</sup>

Explanatory Notes:

1. Percentages
2. Actual numbers of workers

bad respectively. At the Nigeria Airways on the other hand, only 7.9 and 18.8 percent of the workers considered their promotion prospects to be very good and good respectively; while 35.3 percent believed they had a fifty-fifty chance. What's more, as high as 20.3 and 17.7 percent of the employees considered their promotion chances to be bad and very bad respectively compared with 4.5 and 2.3 percent reflected at the Lever Brothers (Nig.) Ltd.

Another way of assessing whether cordial relationship exists between management and labour in an organisation is to examine the industrial indicators' such as strike incidence and absenteeism rate in that organisation. This is of significance importance in that, where labour-management relationship was cordial there would be fewer stoppages or industrial unrests, because each 'social partner' is apprehensive of its obligation to that organisation. Similarly, in an organisation where a high degree of mutual understanding exists between labour and management, employees hardly absent themselves from duty. Table 18.7 depicts the industrial stoppages recorded in both companies over a period of six years (1975-81). As can be seen from the table, between 1975 and 1981, Lever Brothers (Nig.) Ltd had only three stoppages - one in 1975 and the remaining two between 1979-81; while Nigeria Airways recorded 15 industrial stoppages over the same period. In addition, as shown in the table, Lever Brothers had fewer 'working days lost' per 1,000 employees (18,996) than Nigeria Airways Ltd. which had 57,700 working days lost per 1,000 employees.

Table 18.7 Strike Comparison. March 1975 - 1981

	No. of stoppages per 1,000 employees	Number of persons involved per stoppages	Duration of each stoppage in working days	No. of working days lost per 1,000 employees
<u>LEVER BROTHERS</u>				
1975-76	1	1214	1	2000
1977-78	-	-	-	-
1979-80	1	2428	5	12140
1981 (a)	1	2428	2	4856
Total	3			18,996
<u>NIGERIA AIRWAYS</u>				
1975-76	6	9000	9	26200
1977-78	3	1850	5	4400
1979-80	3	1300	4	3300
1981 (a)	3	8000	4	23800
Total	15			57,700

Source: Compiled from data supplied by the two companies.

Explanatory Notes:

1. The figures given here are mainly estimates because the company had no proper record.

(a) The figures are for the 1st quarter of 1981. The whole industries in the country were involved; it was a strike called by the Nigeria Labour Congress (NLC)

Table 18.8 Absenteeism Rate - Comparison. 1980-81

Year	Month	C O M P A N Y	
		Nigeria Airways	Lever Brothers
		No. of employees	
1980	April	150	89
1980	May	130	103
1980	June	140	135
1980	July	130	128
1980	August	120	108
1980	September	125	109
1980	October	137	108
1980	November	88	58
1980	December	125	107
1981	January	100	93
1981	February	126	108
1981	March	139	115
1981	April	195	185
	Total	1705	1442

Source: Computed from the companies' records.



Table 18.8 shows the absenteeism rate for the two companies. Again, as can be seen in the table, Lever Brothers (Nig.) Ltd had fewer absenteeism rate than the Nigeria Airways Ltd., although the difference in the total number of absenteeism recorded was not much.

### CONCLUSION

The study provided a significant support for the labour-management relationship hypothesis. More Lever Brothers employees were satisfied with the quality of their management, with their working conditions and also considered their promotion chances better than those of Nigeria Airways employees. Furthermore, the study showed fewer stoppages and lower absenteeism rate at the Lever Brothers (Nig.) Ltd than in the Nigeria Airways Ltd. Therefore, this hypothesis possesses a high degree of validity.

### THE TRADE UNION DENSITY HYPOTHESIS

The trade union density hypothesis was summarized in the following terms:

"Union density and worker participation in decision making are higher in industries under collective bargaining."

If this hypothesis is to be accepted as having any validity, we would expect to find:

- (a) Higher trade union membership at Lever Brothers (Nig.) Ltd
- (b) More expression of greater union involvement in the wage determination process at Lever Brothers
- (c) More Lever Brothers employees awareness of 'comparability criterion' as the most important criterion in the determination of wages
- (d) Higher proportion of Lever Brothers' employees supporting that information disclosure to workers is essential.

Levels of trade union membership in the two organisations reflected the influence of the unions. Table 18.9 depicts the density of trade union membership in each of the companies. It can be seen from the table that over 92 percent of the Lever Brothers employees were trade union members (Lever Brothers workers union), while the density of union membership at Nigeria Airways was under 40 percent (38.7). Of the 7 percent of the Lever Brothers workers not in the union, 5 percent were recently employed workers (some two weeks old, others a month) who had not yet decided to join the union. The remaining 2 percent were young single female workers who claimed that they were not interested in 'any trade union membership business'. There is no formal 'closed shop' agreement at Lever Brothers - indeed, the practice of the closed shop is not yet widely established in Nigeria.

The lower density of union membership at Nigeria Airways may partly reflect the higher proportion of female

Table 18.9 Trade Union Membership

	LEVER BROTHERS		NIGERIA AIRWAYS	
	%	No.	%	No.
Members	92.6	287	38.7	103
Non-members	7.4	(23)	61.3	163
Total	100.00	310	100.00	266

workers - clerks and typists - who are traditionally less likely to join unions. However, the low density might be attributed to the apparent inability of the few union officials found in the 'Airways House' to influence wages and working conditions. The interviews suggested that most workers would be willing to join the Airways union and contribute their support if it were given an effective role. During the interviews one respondent, a clerical officer, a young man in his early thirties from the Western part of the country told the interviewer:

"Oga (boss) you think say we no like joining trade unions, abi we no get eyes to see the things way unions de do for the pilots and the aircraft engineers. The point be say we go join unions if they go help us get better pay like other workers in the country."

1

There is clearly potential support for collective bargaining in Nigeria Airways, meanwhile the limited influence of the union is reflected in relatively low membership.

An attempt was made to assess the demand for collective bargaining by asking how far trade unions should be involved in determining wages. The response showed a strong feeling, that union should be committed to collective bargaining at Nigeria Airways, but a less clear picture at Lever Brothers (Table 19). As can be seen from the table, over 64 percent of the Nigeria Airways employees felt that workers should be fully committed in the wage

Table 19. Unions and Wage Determination: To what extent do you believe that unions should be involved in the wage determination process?

Company	Fully committed	Committed	Moderately committed	Little committed	No commitment
LBN	4.2 (13)	23.5 (73)	51.9 (161)	17.2 (53)	3.2 <sup>1</sup> (10) <sup>2</sup>
Nigeria Airways	64.7 (172)	21.8 (58)	10.5 (28)	2.6 (7)	0.4 (1)

Explanatory notes:

1. Percentages
2. Figures in brackets are actual numbers of workers

determination process, while only 4.2 percent had the same feeling at the Lever Brothers. In addition, at Nigeria Airways a further 21.8 percent thought that they should be committed, while over 10 percent believed that they should be moderately committed. Only very few employees 2.6 and 0.4 percent felt that they should have little commitment and no commitment respectively. This contrasts sharply with the responses from Lever Brothers, where a higher percentage (17.2 and 3.2 percent) of the respondents felt that they should have little commitment and no commitment in the wage determination process respectively. The overwhelming support for union involvement in collective bargaining shown in the Nigeria Airways reflects conflict within the workforce over bargaining objectives and the performance of the union.

Management and worker representatives sometimes emphasise different criteria of wage determination. Management may favour profitability or the range of management-oriented criteria employed in job evaluation exercises. Union negotiators on the other hand, tend to lay emphasis on factors such as working conditions and comparability with other groups of workers. Workers familiar with collective bargaining could also be expected to emphasise these criteria. Workers used to having their pay determined by centralised methods give priority to the needs of efficient management may either reflect management-oriented criteria or at least not be familiar with normal trade union arguments. The workers were asked

Table 19.1 Criteria of Wage Determination: Which should be the most important criterion in the determination of wages?

CRITERION	C O M P A N Y	
	LEVER BROTHERS	NIGERIA AIRWAYS
Number of hours worked	24.8 (77)	52.6 <sup>1</sup> (140) <sup>2</sup>
Working conditions (payscale)	4.5 (14)	7.5 (20)
Company profitability	7.1 (22)	15.0 (40)
Comparability with similar workers elsewhere	52.6 (163)	21.1 (56)
Job evaluation techniques	11.0 (34)	73.8 (10)

Explanatory Notes:

1. Percentages
2. Figures in brackets-actual numbers of workers

which criterion they thought should be the most important in determining wages, and the results broadly confirmed these expectations. Lever Brothers employees were aware of the importance of comparability (Table 19.1). As can be seen from the table over 52 percent of the Lever Brothers respondents believed that comparability criterion should be the most important criterion in the determination of wages. Many Nigeria Airways employees showed themselves to be unaware of the issues by responding that hours worked should determine pay. This appeared to reflect a belief that civil servants on similar pay scales elsewhere actually worked much shorter hours. The presence of a minority (21.1 percent) emphasising comparability is accounted for by the fact that the pay of pilots and aircraft engineers is determined by collective bargaining.

Next, the employees of the two organisations were asked how important it was that workers should be given information about their employer's financial affairs. The use of financial information is an important part of the negotiating process. A workforce which values collective bargaining can be expected to be interested in the disclosure of information. Table 19.2 depicts the responses received from the respondents. Both workforces displayed a high level of interest in information about their employers' financial activities. This reflects the presence of collective bargaining at LBN and suggests potential support for bargaining at Nigeria Airways. However, the Nigerian Airways employees showed a higher support for



Table 19.2. Disclosure of Information: How important is it that workers should be given information about the firm's financial activities?

Company	Very important	Important	Moderately important	Unimportant	Very Unimportant
LBN	41.9 <sup>1</sup> (130) <sup>2</sup>	39.4 (122)	10.6 (33)	6.1 (19)	2.0 (6)
Nigeria Airways	58.6 (156)	28.6 (76)	5.6 (15)	3.8 (10)	3.4 (9)

Explanatory Notes:

1. Percentages
2. Actual numbers of workers

information disclosure. Over 58 percent of the employees thought that it was very important; while 28.6 percent felt that information disclosure was an important part of the negotiating process. A small proportion of the employees 3.8 and 3.4 percent thought that the use of financial information was unimportant and very unimportant in the collective bargaining respectively.

### CONCLUSION

Although some of the evidence that emerged from issues such as on union involvement and disclosure of information reflected 'counter' indications; the overall picture remained the same - that is, one of support for the hypothesis.

### THE MIDDLE MANAGERS HYPOTHESIS

In summary, the middle managers hypothesis states:

"Middle managers in the companies or industries under collective bargaining arrangements have a greater sense of belonging, achievement and self-actualisation."

Essentially, to find support for this hypothesis, it would be necessary to demonstrate that more Lever Brothers Ltd middle managers have a feeling of self-fulfilment and achievement than the Nigerian Airways middle managers.

Table 19.3. Achievement, and Self-Fulfilment Thinking of your present job - the pay, responsibilities and opportunities (advancement) how do you perceive it? Do you feel within yourself any sense of self-fulfilment?

Company	Very strong sense of fulfilment	Strong self-fulfilment	Moderate self-fulfilment	Little self-fulfilment	No self fulfilment
LBN	66.7 (20)	16.7 (5)	10.0 (3)	3.3 (1)	3.3 <sup>1</sup> (1) <sup>2</sup>
Nigeria Airways	10 (3)	3.3 (1)	13.3 (4)	20.0 (6)	53.3 (16)

Explanatory Notes:

1. Percentages
2. Actual numbers of workers

The main source of evidence was through the unstructured interviews. Middle and senior managers in both organisations as well as officials from other institutions such as the trade unions and government departments were given unstructured interviews, hence the little statistical information presented to support the hypothesis.

Organisations motivate their managers through various ways. This could take the form of higher pay, and better conditions of service as well as other fringe benefits - long holidays etc. It could be by giving the managers more challenging responsibilities - allowing them to take certain operational decisions within their units. In addition, the organisation could provide opportunities for advancement. Surely, in organisations where there are no opportunities for job advancement, higher responsibilities and good financial reward, managers are less likely to have feeling of self-fulfilment and achievement.

The middle managers in both organisations were asked how they felt about their jobs, if they had sense of self-fulfilment and achievement and their replies recorded on a five point scale (Table 19.3). As can be seen from the table, levels of feelings of self-fulfilment and achievement is clearly higher among Lever Brothers middle managers than in Nigeria Airways. Over 66 percent of the middle managers at Lever Brothers indicated that they had a very strong sense of self-fulfilment and achievement, while only 10 percent indicated in the Nigeria Airways Ltd.

Again, during the interviews one of the Lever Brothers middle managers named Hycinth Nwaogbo an electrical engineer who has been in the LBN service for six years told the researcher:

"To be candid insofar as my present job is concerned I am satisfied both with the pay, the responsibility attached and its challenges. I have a very strong feeling that all my expectations were being met."

When a similar question was put to (Mr. Uwalukehi assistant personnel officer in charge of (NSD) Non-Soapy Detergent workers he responded:

"I have no illusions as far as my present job is concerned; it has provided me with all my immediate requirements as a young man - I have a nice car, on good wages, live in a flat, and happily married. Besides, very often than not I take operational decisions within my unit, and can leave the office at any time without queries from my immediate boss. So there you are, tell me if you were in my 'shoes' wouldn't you have that feeling of self-fulfilment in you."

In contrast, a personnel officer in the Nigeria Airways, a young man in his late thirties responded when a similar question was asked to him:

"Old boy, forget about this concept of self-fulfilment and achievement here in Nigeria Airways, because not even a manager of my rank can tell you that he or she is satisfied with his or her job, let alone to talk of self-fulfilment and achievement."

How can your job be fulfilling when after paying your brothers school fees you find it difficult to buy a gallon of petrol for your car. How can a sense of achievement come across your mind when you have no opportunities to test your personal initiatives. To be sincere, I have no such feeling of self-fulfilment or achievement at the moment."

Furthermore, when the same question was put to the Accountant in charge of ground personnel wages, he told the researcher:

"Self-fulfilment and achievement you must be joking. You know too well as a manager that there are certain expectations such as opportunities for advancement, higher responsibilities, good pay and good working conditions, and challenging opportunities to test ones judgement, which must be evident in a job before a manager can start talking of self-fulfilment and self-actualization. As far as I am concerned, my present job does not offer such opportunities - the pay is poor, working conditions atrocious and opportunities for self-initiatives nil. Unless we middle managers in the airline are deceiving ourselves, I can assure you there is nothing like a feeling of self-fulfilment or achievement among us. References of self-fulfilment and self-actualisation would be appropriate when you are talking to managers in other airlines such as the British Caledonian and the Pan-American Airlines (Pan-Am) not Nigeria Airways managers."

## CONCLUSION

Surely, the evidence from the study support the notion that middle managers in the companies or industries under collective bargaining arrangements have a greater sense of belonging and achievement than managers in industries where wages and other conditions of service are centrally determined through government appointed wage tribunals or commissions. It must be concluded therefore that there is a high degree of validity in the middle managers hypothesis.

### (B) THE HYPOTHESES REVIEWED

All the four hypotheses tabled above supported the general hypothesis developed for this study which states that 'in Nigeria industries or companies using' the collective bargaining process for the determination of their workers remunerations have a lower strike incidence, labour turnover, lower absenteeism rate and enjoy higher productivity. There is no reason to believe that these organisations, Nigerian Airways and the Lever Brothers' workers are untypical. The ambiguous organisational position of middle managers is the main influence, though the differences between the levels of satisfaction is significant but probably relate to other aspects of the organisation.

What brief conclusion can then be drawn from the above results. It can be concluded that the study

revealed support, actual and potential for a wage determination system in which workers themselves have a say in decisions that affect their working lives in both organisations. The history of collective bargaining at the LBN may indicate a greater "responsiveness" of that organisation to its workers and managers, which may underlie their attitudes. But this does not contradict the significance of the worker attitudes and the actual and potential support for collective bargaining as revealed in the two organisations.



REFERENCES

1. The respondent was speaking in what we call 'Broken or Pidgin Language in Nigeria, which is commonly used in most offices and market places.

CHAPTER EIGHTWAGE POLICY AND ECONOMIC DEVELOPMENT8.17 A General Preview/objectives of Wage Policy

During the course of the field work, the researcher became increasingly aware of the anomalies in terms of the "mismatch" between educational qualifications and job. Consequently, a chapter drawing on the evidence of the research on the question of wage structure, income distribution and the allocation of labour has been included in this thesis. This gives a number of insights on the efficiency of the wage payment system in dealing with the question of labour allocation and economic development, and raises the question whether the wage payment system is the suitable vehicle for handling major problems in these areas in a developing society. This chapter, therefore, sets out to examine the objectives of wage policy and to appraise the Nigeria wage structure in the light of the above issues - labour allocation efficiency and equitable income distribution.

In general, the objectives of a wage policy vary from country to country and depends also on the country's social system and economic structure. In Nigeria, for example, during the colonial administration, when the "family system"<sup>1</sup> made it difficult for rural workers to accept wage employment, the object of wage policy then

was the 'need' to establish appropriate general level of wages to attract these rural workers to wage employment. Also during these periods, income levels were generally so low that there was an understandable preoccupation with fixing wages at least sufficient enough to sustain a minimum acceptable standard of living. In essence, it was not a matter of giving due consideration to the basic human needs of workers (that is providing the living "wage" as provided by the ILO's 1919 constitution), rather it was viewed as necessary from the point of view of 'industrial development'. That is, to ensure that workers were adequately motivated and physically fit to perform their jobs with reasonable efficiency.

However, in recent years, concerns with achieving 'integrated' employment opportunities have resulted in a shift in emphasis in policy discussions with regard to wage levels in general. Attention now is being placed on the need to maintain a reasonable relationship between urban wage levels and the incomes earned in other sections of the community in particular the self-employed in agriculture and related activities. Also there has been a tendency to lay greater emphasis on the economic consequences of higher general wage levels.

Thus, much attention has now been given to the capacity of the domestic economy to meet foreign competition at home and export markets, and to provide productive employment opportunities for a growing labour force that is often dominated by unemployment and under-employment.

Often, the practical problem confronting a government (in particular, in developing countries with vulnerable economies) does not usually present itself so much in the form of the question: "What would be optimum general wage levels for the country?" but rather "What room is there for wage increases in the situation which the country finds itself this year?"<sup>2</sup> Particularly, if the country is battling with high unemployment, low industrial output, balance of payment difficulties and galloping inflation which such wage increase if not linked to productivity would only help to aggravate. For a country under such economic pressure the question of contemplating wage increases become remote.

In any case, this does not imply that government necessarily favour equal rates of increases for all incomes. They usually do not. Because to a greater extent increases or reductions in 'income' depend on the government's economic priorities within that period. For example, a government might decide that the average wage incomes be encouraged to increase faster than the average of all other incomes because wages were too low for basic needs or because the share of national income being allocated to entrepreneurs and land owners was more than was necessary to call forth a sufficient supply of enterprise and capital investment. On the other hand, with urban unemployment posing as the most serious social and economic problem (in most developing countries), it might be decided that in the national interest 'wage incomes should rise more slowly than the average of all incomes for a given period of time. This measure, it is assumed would then help significantly to reduce the rural-urban incomes, and its attendant urban migration, as well as to increase the rate of savings and employment generating investment. In other words, in this circumstances priority has been given to the provision of productive employment for the unemployed over the raising of the real incomes of those already employed.

Even where a policy of wage restraint is in force because of certain macro-economic difficulties, wage policies are usually designed in such a way to ensure that wage earners receive an appropriate share of the 'national cake'. At the very least they are designed to ensure that money wage increases keep pace with cost of living increases, so as to maintain real wage incomes particularly for the lowest paid workers. The exceptions to this pattern being when a country is facing severe economic problems such as galloping inflation and perhaps most importantly a declining national income resulting from a drop in export earnings. A situation which Nigeria found herself in the first quarter of 1982 - falling oil revenue; resulting in severe wage policy measures. But often when such exceptional circumstances arise wage policies are usually directed towards an even spread of the costs or sacrifices that have to be made.

The objective of a wage policy with respect to changes in the structure of wages which is the focus of this discussion may be divided into two inter-related types:

- (a) Equity and;
- (b) allocative or economic efficiency.

Concerns for greater equity are manifested by the widespread support given to relatively large wage increases by most governments for the low paid workers. These comparatively large increases have either been granted on selective basis to certain groups of low paid workers

or have been given to all unskilled or semi-skilled workers in order to bridge the earnings gap between high and low paid workers, and most importantly to enable the latter to maintain a certain minimum living standard.

However, the use of wage policy as a general instrument for redistributing income is limited by the fact that in the developing countries where it is often used, the proportion of wage earners relative to the working population is usually very small. For example, in Nigeria only about 4-5 percent of the population are wage earners. Similarly, in Ghana below 15 percent of the workforce are reported to be wage earners.<sup>3</sup> This apparent drawback raises some doubts over the use of wage policy to achieve this distributive function in such economies. Moreover, there exists a wide gap between the living standards of the rural workers (farmers, self-employed persons) and the workers in the modern sector; and the former endures the lowest living. Normally wage policy (even when armed with its potential instrument - minimum wage regulation), is incapable of being used to raise the living standard of workers in the rural areas, because rural economic relationships are usually not often "monetised", and are often of the 'consumption' kind.

Even if the economic relationships were to have some measure of monetary value attached to them, the mere fact that these rural workers (farmers) are not organised in any meaningful manner means that they would not be

covered by the "minimum wage scheme" and this in no doubt renders the 'protective' objective ineffective. Aziz put this point as follows:

"Even were rural labour incomes are received as money, the lack of organisation of rural workers means that they are often not covered by a minimum wage scheme, and where they are, administrative weaknesses in rural areas limit the effectiveness of this protection."<sup>4</sup>

Consequently, it is argued that perhaps the best instrument for raising the lowest living standards is the 'fiscal instrument' (even though its efficacy is often limited by administrative deficiencies which tend to make it basically regressive) rather than through the wage policy and its minimum wage instrument. One way of using fiscal instrument to raise living standards is by granting 'food subsidies' to those in the poverty line and similar members of the community.

As regards allocative or economic efficiency, the objective is to adapt wage structure in such a way to provide adequate incentives for workers to acquire needed skills and be able to take jobs in areas where labour is in short supply; and to move away from those areas where unemployment and underemployment are concentrated. An example of a situation where wage structure can provide the necessary incentive for labour to move from one area to another is for instance where a country concentrated most of her capital investments in a particular area (ie in the capital



city), which usually results in migration from other areas to that city in search of employment. In order to move away from this capital city to other parts of the country where labour is in demand, special wage rates and allowances are offered by the government as an incentive to those workers who elect to move. It is important to note that more often than not these objectives conflict. For instance, most governments usually find themselves in quandry over decisions affecting wage increases and unemployment problems. Should wages be increased in order to act as an incentive for 'labour mobility' but at a cost to employment prospects? Or should wages be moderated in order not to 'price oneself out of job' but at an expense to the allocative efficiency of labour? These are some of the conflicting issues usually associated with these objectives in an economy.

However, since the equity objective relates to the degree to which the pay structure conforms to the task of equitable income distribution, and allocative efficiency with pay structure acting as an incentive mechanism for labour allocation, it would be in place to appraise the Nigerian pay structure in the light of these objectives. Questions such as: is the pay structure efficient as an incentive mechanism for allocating labour between sectors of the economy for acquiring scarce skill vital for economic development? And is the pay structure geared towards achieving equitable income distribution to increase the living standards of the lowest paid workers, would be

examined and reasons for successes or failures discussed.

We shall also at the end make a set of proposals.

#### 7.18 AN ASSESSMENT OF NIGERIAN PERFORMANCE AND SUGGESTION

##### (A) Pay Structure and Labour Allocative Efficiency.

In chapter one we noted that differentials in Nigeria were very wide. For example, we found Permanent secretaries receiving 15 times as much as 'lift attendants', skilled manual labourer receiving six times as much as the unskilled labourer and the gap between rural-urban incomes as wide as ever. Hence, it is plausible to regard these large differentials as being adequate incentives for the acquisition of skills in Nigeria. In 1962, the Federal Minister of Economic Development stated that one of the nations' objectives was to ensure that:

"the right number of workers with the right qualifications and technical skills are available at the appropriate places to permit implementation of our development plan and to meet the needs of private industry."

5

It is tempting to assume on the basis of the Minister's statement that the prevailing large differentials are part of a general strategy for achieving rapid economic development, since a country requires the services of 'skilled manpower very desperately at the early stages of its development. However, such an assumption might be premature. In that, as can be inferred from the previous discussions, the use of wage structure as an incentive

for achieving efficient labour allocation has never been a major policy consideration in the determination of wages and salaries in Nigeria. Moreover, the apparent absence of job evaluation, work measurement, motion-time study and related vital tools for wage assessment, and the considerable relative influence of institutional vis-a-vis economic factors in major pay changes are evidence in support of this assertion. It is not surprising, therefore that the 'pay structure' is not entirely satisfactory as an incentive generating instrument. The system suffers from two defects.

Firstly, the differentials are not sufficiently discriminatory. This means that all categories of high level manpower enjoy a high degree of pay premium over the low-level manpower even though there is a considerable variation in their scarcity. There are some categories of high-level manpower which are in surplus supply in the labour market,<sup>6</sup> but this relative over-capacity is hardly reflected in the levels of pay. For example, in the civil service the number of suitable applicants for the post of administrative officer has out-stripped available vacancies, with the result that greater emphasis is placed on the 'quality of the applicants to be selected than on the level of pay. The converse of this situation being that other high-level man power posts become very difficult to fill because of the lack of incentives. Examples of such posts include: the post of technical college tutors, engineers, scientists, doctors - veterinarians and agronomists.<sup>7</sup> Yet attempts have not been made to

solve this problem of 'critical skill' shortage by the provision of incentives.

The main role of 'differentials' is to ensure that the flow of skills are consistent with demands for them. This role assumes crucial importance where as in Nigeria few proper 'machinery' for controlling the supply of high-level manpower right from its very source of supply exist; for example, by allocating students regardless of their ethnic or tribal backgrounds to particular courses or institutions. Surely, in so far as the system of 'generalised' differentials in Nigeria encourages people to acquire skills already in abundant supply, and falls short of giving a distinct advantage to skills in short supply, it cannot be claimed to have fulfilled its allocative function.

A second defect of the existing wage structure in Nigeria which has had the effect of limiting its role as an incentive for acquiring needed skills, is the large differentials existing between the middle and the high-level manpower. Indeed, the Ashby Commission in 1960 did not hesitate to point out this defect. The commission noted in the following comments:

"In terms of their need and usefulness for society the differentials in compensation and perquisites between university graduates and highly skilled non-university graduates (in the intermediate high-level manpower category) are much too great. As a consequence relatively few young persons are satisfied

to become or remain engineering technicians, medical technicians, works foremen, junior agricultural officers and qualified (but not graduate) teachers."

8

The unwillingness to enter and remain as an intermediate level manpower by these young men seems to be founded. Since with a little more years of training (education) one can easily join those in the high-income bracket - (high-level manpower). To illustrate the irrationality of the gap it may be worthwhile to consider the salary and educational requirements of two posts in the Federal Ministry of Agriculture - on the one hand, the agricultural officer on level 08, and on the other the agricultural assistant. 'Faucity of hard core evidence' have made this type of illustration inevitable.

The years of education for the post of an agricultural officer on salary grade level 08 is usually 14 years, made up of 5 years in secondary school, 6 years in elementary school and three years in the university. On the other hand, the agricultural assistant (AA) had 12 years of education - 6 years in elementary school, 5 in secondary school and 1 year for the AA course at a farm settlement. Thus only 2 years of education separates the two posts. However, while the agricultural officer is on salary grade level 08 that is about ₦3,264 Naira (in cash terms) per annum, the agricultural assistant is on salary grade level 04 or 05 or ₦1,164 Naira per annum. Since only 2 years of education separates the two posts, the size of

the gap (almost 3:1) in their incomes can hardly be justified by foregone earnings of the additional

years of education by the agricultural officer. Nor can the gap be justified on the grounds of private costs of the latter's additional education since in general, higher education is heavily subsidized in Nigeria. For example, in 1976/77 and 1977/78, the average recurrent subsidy per student in the colleges of technology was ₦2873 and ₦2562 Naira respectively; while corresponding levels in the universities were ₦4874 and ₦5130 Naira.<sup>9</sup>

No doubt, the effect of such marked differential (as stated above) is to discourage young people from entering or remaining in the lower cadre of the high-level jobs. Goldway in his report put the point as follows:

"Two reason for the low level of esteem for sub-professional education lies in the salary structure, and the gap between professional and sub-professional men".

10

Furthermore, it was stated that one of the main reasons why some of the targets projected in the first national development plan 1962-68 could not be implemented "was the lack or inadequacy of executive manpower", and it was mainly the middle grade officers that were lacking.<sup>11</sup> Also the third national development plan 1975-80 was at a certain stage thought to be in jeopardy because of the shortage of "executive manpower" in the civil service, and

it turns out to be the "middle grade executive" man-power that was mainly lacking.<sup>12</sup> A major factor in this inadequacy, as we have suggested is the lack of proper differentiation. For as Lins observed:

"If wages are properly differentiated there will be a better balance between demand and supply of labour in occupations, industries and other sectors of the labour market."<sup>13</sup>

The inability of the Nigerian wage structure to perform very satisfactorily the allocative objective stems from the fact that it was never designed for this purpose in the first place. In general, and as an alternative to an effective wage system over the years the emphasis has been on the provision of increased educational and training facilities. In fact, many of the commissions appointed immediately after political independence have had education and training programmes in their catalogue of recommendations. For example, in 1960, the Asby Commission made a strong recommendation for the establishment of an inter-regional manpower board for the purpose of assessing manpower needs and to formulate programmes for effective manpower development throughout the country on a continuous basis. Realising that the assessment of manpower problems in the country would result in failure without due references to wage and salary levels and the incentive they would provide for productive employment the commission recommended that:

"a major task of the inter-regional manpower board should be to review wages and salary structure for high-level manpower and to make appropriate recommendations to the governments for such revisions as are in the interests of accelerating the country's economic growth".

14

Although the main recommendations of the commission were accepted by the government and subsequently the National Manpower Board was set up, what the Ashby Commission regarded as a 'major-task' of the manpower - the review of wages and salaries on continuing basis - was not specifically included in the board's terms of reference, as reflected below. The board's terms of reference as approved by the National Economic Council and by both Federal and Regional governments were thus:

"The determination of the nations needs in all occupations; formulating for consideration of the National Economic Council and the governments of the federation programmes for manpower development through university expansion and training, scholarships, fellowships and other facilities and co-ordinating the policies and activities of the federal and regional missionaries primarily concerned with employment and the optimum utilization of the nations manpower resources."

15

Educational expansion programmes embarked by the various governments in the federation and manpower planning by the manpower board have all been implemented without due consideration of the need to harmonize them with an effective



wage structure. After all, occupational demand projections, educational programmes and wage differentials policy are logically inter-dependent and should be treated as part of an integrated policy in order to be more effective. Just as Harison noted in his work:

"a primary condition for solution of all manpower problems whether they be critical skill bottlenecks in the modernising sector or mounting labour surpluses throughout the nation is the building of appropriate incentives. Lacking this, massive expenditure on training and education will contribute little to accelerate development."

16

Undoubtedly, this primary factor-incentive-as we argued earlier in the discussion has been conspicuously missing from the country's long-term manpower plans hence, it is hardly surprising therefore that such wide gaps in skill supplies exist in the country.

Much of the discussion has concentrated on the function of the wage structure as an instrument for manpower allocation to various occupations. The need for a rational wage structure is even of greater importance from the point of view of allocating labour among the various sectors of the economy particularly between the rural-urban sectors. There is a consensus, that the rural-urban migration with its attendant urban unemployment poses the most serious social and economic problem in Nigeria today. This is a problem indicated earlier in section three, the unplanned rapid expansion of primary

education has done much to exacerbate. It has been observed that there are two main causes of rural-urban drift particularly in the developing countries:

- (a) the level of disparity in incomes;
- (b) the opportunities for non-agricultural jobs.<sup>17</sup>

In Nigeria it is a combination of both reasons, although the latter appears to be the major reason for the drift. For in a recent study carried out by the Human Resources Unit of the university of Lagos, it was found that the dominant reason for migrating to Lagos, the capital city related to economic opportunity, at the forefront employment. Employment related reasons according to the study accounted for over half of all the reasons given, 43.35 percent of the respondents stated that they came to Lagos to look for job.<sup>18</sup> It is, thus possible to hypothesize that 'the immediate cause of 'migration' from the rural areas lies mainly in the different economic opportunities such as the large gap in the earnings of the rural and urban workers.'

Although statistical evidence in support of this hypothesis might be very difficult to come by because of paucity of refined data; nonetheless, tentative conclusions can still be drawn on the basis of few empirical studies carried out in Nigeria few years ago in addition to the study cited above. In a study of rural-urban migration in Western Nigeria, Olusanya found that the "possibility of earning more money than can ever be

earned in primitive agriculture was by far the most important reason.<sup>19</sup> In conclusion he argued that it 'is almost inescapable that the migration of rural dwellers to the towns is to be attributed largely to the response to 'pushes' and 'pulls' of economic adversity and opportunity."<sup>20</sup>

In addition, the response which the researcher got from the newly employed luggage handlers, in the Nigeria Airways seems to support the hypothesis. In that, over 75 percent of this category of workers claimed that they joined Nigeria Airways because the money income they were getting in the villages was not enough. Some claimed that their monthly 'money income' couldn't even buy them a pair of trousers. During the interviews one young Luggage Handler in his early twenties from 'OTTA' a village fifty kilometers from Lagos told the researcher

"Boss the cash we make in the village in a month is not usually enough to cover the cost of a pair of shoes and a khaki short. Whereas with the monthly wages of most of my colleagues in Lagos they can afford to buy 'suits' and even radios."

Furthermore, the hypothesis is supported by some government statements on the behaviour of certain primary products made few years after political independence. For example, in 1964, the Eastern Nigeria Ministry of Finance and Economic Planning observed that:

"Palm oil production was below that of previous year. Buying prices for palm produce were lower, discouraging the farmers. It was noticeable that the movement away from the land continued."

21

No doubt, the present rural-urban migration in Nigeria is a rational economic reaction to the large differentials in potential earnings. The young school leaver can hardly be expected to enter into agriculture until the incomes and related issues of those in it compares favourably with those of other workers in the urban area. Surely, a significant improvement in the 'lot' of farmers is crucial if farming is to attract young school leavers. Because as the ILO mission to Western Nigeria pointed out in 1967,

"No young person, once having been to school and gained even a slight success in the changes induced by education will want to consider the low and uncertain income of peasant farming?"

22

The present mounting urban unemployment in the country discussed in chapter one makes a multi-dimension attack on this issue - (migration) very necessary. Since the scale of the urban-unemployment is such that only a small fraction of the many thousands of job seekers can be absorbed into urban wage-employment, the only effective policy option would appear to lie in making agriculture more competitive and more rewarding. This can best be attained by skillful manipulation of rural-urban income differentiation, which among other things calls for the establishment of a differential that can only be

justified by the differences in the cost of living or other economic factors. However, as noted earlier in the discussion, in practice, efforts have not been geared to use the 'wage system' to effect labour mobility in Nigeria. It is understandable therefore, why the rural-urban migration has remained unabated twenty years after political independence in the country. Because, it is evident that 'when real wages are very much above the income of the traditional sector the search for wage employment may cause excessive migration from rural areas to the towns.'<sup>23</sup>

On the basis of the foregoing analysis, it can be strongly argued that the Nigeria pay structure is 'defective' as an instrument for allocating labour to various sectors of the economy for rapid economic development. This does not mean that there is no scope for improvement, no doubt with proper wage policy which will among other things re-assess the issue of 'centralised system' of wage determination, the pay structure would perform its allocative role. This issue of 'ideal pay structure' would be treated in due course. In the meantime, attempts would be made to examine the pay structure in relation to income distribution; for since it is not so successful as an instrument for allocating labour, it might be successful as a vehicle for proper income distribution.

(B) PAY STRUCTURE AND INCOME DISTRIBUTION FUNCTION

In chapter one it was observed that in recent years skill and occupational differentials have tended to become compressed through series of government wage policy instruments such as the national minimum wage and the annual incomes guidelines. Surely, on the basis of these developments in the 'wage differential scene', it can easily be assumed that the issue of 'income inequality' was no longer a problem in Nigeria. This kind of assumption might be highly premature. In the first place, a system which allows one wage earner to earn 15 times as much as fellow wage earner can hardly be said to possess any element of equity. Secondly, one needs more than just the trend in differentials to discuss something tentative about changes in the distribution of income. Particularly, it is essential to have a good idea about the percentage of workers in each income group, as well as a sample which is representative enough (usually for the whole country) for generalisations to be made. Unfortunately, this discussion is deficient of data along such lines (in particular representative sample) to carry out the exercise for the whole country. Consequently, two 'states' in the country have been selected - Bendel and Western states where relevant statistical information are in acceptable proportions.

Table 20. Income Distribution Among Wage/Salary Earners in Benin City, Bendel State, 1975.

Income Range N (Naira)	Number	Percentage Number	Percentage Income	Cumulative Percentage
Under 400	72	14.7	4.8	4.8
400-800	115	23.6	11.5	16.3
801-1,200	145	29.7	24.0	40.3
1,201-1,600	73	15.0	17.0	57.3
1,601-2,000	35	7.2	10.5	67.8
2,001-4,000	29	5.9	14.5	82.3
4,001-6,000	13	2.7	10.1	93.0
6,001 and over	6	1.2	7.0	100.00
	488	100	100	

Source: Population, Employment and Living Conditions in Benin July-October 1975 cited in the Political Economy of the Income Distribution in Nigeria, edited by Diejomaoh, et al., 1981.

Explanatory Notes:

Explanatory Notes:

Average Income = N1361

Modal Income = N1,000

Median Income = N1,285, N = 488

The choice of these two states is arguable. It might be argued that since the exercise was based on two states only that the sample is not representative enough. Another limitation might stem from the fact that the sample covered people in wage income mainly. In addition, the relatively few number of years covered in particular for table 20 does not provide adequate grounds for proper comparative analysis to be made it might be argued. But, as we noted earlier in the discussion, the choice is justified because of paucity of information covering the whole country. What'smore, we have reasonable grounds to believe that what obtained in Bendel and Western States would be replica of the position of things in the other remaining seventeen states in the Federation as previous studies on the same issue have demonstrated.<sup>24</sup>

However, inspite of these defects, something very illuminating about income distribution in Nigeria can be inferred from Table 20. The table shows the increasing disparity between the high and low paid employees in the income range. It can be seen from the table that those earning less than ₦2,000 Naira who accounts for about 90.2 percent of the wage and salary earners in Benin city controls about 68 percent of the city's total income. While at the other extreme, about 4 percent (3.9) of employees in the ₦4,000 and above income range earned 17.1 percent of the total income in Benin in 1975. Furthermore, it can be noted from the same table that the modal income is ₦1,000 Naira, the median ₦1285 Naira and the average income ₦1361 Naira.



Table 20.1. Rural-urban Percentage Distribution of Earnings 1968-1977.

Sector	1968	1969	1970	1973	1974	1975	1976	1977
Rural	23.04	24.85	-	18.28	14.93	-	20.77	37.29
Urban	76.96	75.15	92.40	81.72	85.07	93.55	79.23	62.71

Source: O. Oladipo and A.A. Adesin - Income distribution in the rural sector cited in the political economy of income distribution in Nigeria by Henry Biener and V.O. Diejomaoh Holms & Meier N. York, 1981, Table 9.7, p. 306.

However, the extent to which a country's income distribution is equitable cannot be enquired by the distribution of income within the wage class alone. More so in a country like Nigeria where wage earners constitute a small proportion of the total workforce. Thus, a more objective approach for this nature of inference should be the sectoral or inter-class income distribution, for example, the income distribution between the wage and non-wage earning classes. In fact, much of the recent government statement on equitable income distribution relate not only to the income of the wage earners but also to the various classes in the community particularly the income distribution between the agricultural (farmers) community and the urban (wage earning) community.<sup>25</sup> It is therefore essential to look into the income distribution between these two classes - the wage and non-wage earners. Table 20.1 shows the rural-urban percentage distribution of earnings between 1968-1977, in the Western states of Nigeria (now divided into three states Ondo, Oyo and Ogun.

It is evident from the table that the urban sector (the wage-earners) received a disproportionate share of the earnings. Take for example, in 1974, the aggregate earnings for the rural sector (non-wage earners) amounted to approximately 15 percent, while the urban sector share of the earnings was 85 percent; a ration of 5:7:1. No doubt, as can be seen from the table, 1974 was not an isolated case, for in the previous years the distribution

picture have been the same. The apparent changes in the 'earnings gap' (the gap between the 'pay' of the two sectors) since 1977 were as a consequence of the catalogue of local government reforms which were introduced in December 1976. They were purely temporary measures, for no sooner the civilian administration took over in 1979 with new national minimum wage 'package' than the 'gap' was restored to its pre-1977 picture. This uneven distribution between these two classes has further highlighted the degree of inequality in the country's income distribution system noted earlier in the discussion. On the basis of these findings one may conclude that even the recent changes in wages and salaries (for example, the Udoji and Adebo Wage/Salary Awards) brought about by the sharp rise in oil revenue have not succeeded in creating a more equitable income distribution either within the wage-earning class or between the various economic classes. As an instrument for achieving the egalitarian goal, the wage system has at best been relatively ineffective and at worst been counter-productive.

In a country where employment is insignificant in terms of compositions, changes in employment income might not be the right instrument for redistributing income equitably. Even if there exists a scope for using the pay structure to effect a significant change in income distribution, it is still very doubtful whether the structure should be allocated this function. This is mainly because of the urgent need to encourage labour to acquire needed skill and move into strategic industries essential to rapid economic development.

Therefore, this might necessitate the use of 'incentive payment' even though such a skill might not be at the bottom of the occupational pay hierarchy and the industries not classified among the low-wage industries. Again to assign 'pay structure' this income distributive function may diminish its efficacy as an instrument for allocating labour into various occupations and sectors of the economy, for promoting economic development. It is therefore essential that the goal of equitable income distribution be handled and achieved through other policy instruments such as the 'fiscal' instrument, (taxation) and subsidy as we noted earlier. No doubt a skilful use of these instruments would go along way to redressing the existing imbalance between the urban labour aristocrats (top wage-earners) and the bulk of the masses imbedded in subsistence agriculture in the villages. But in the words of a recent international symposium on wage policy issues in economic development -

"the primary goal of wage policy in developing countries should be the promotion of economic development."

26

But the problem is that in Nigeria as well as most other developing countries wage policy is never geared to the needs of economic development. It was noted in the symposium referred to above that although more than twenty African countries including Nigeria have formulated development plans 'major surveys of them fail to contain a single reference of wages or wage policies.'<sup>27</sup>

The danger to economic development of the present position in Nigeria is too obvious. The country can hardly attain its stated policy objectives which among other things include achievement of sustained economic growth, if wage policy issues were not accorded the importance they desire in the development strategy. After all, the speed of economic development depends not only on capital formation (additions to machinery, buildings etc.) it involves also an adequate supply of human capital in occupations and sectors where they are urgently required. That there is an urgent need in Nigeria to incorporate wage policy in the government's list of policy instruments for achieving rapid economic development can hardly be denied.

The urgency of the need becomes even more apparent if one realises that economic development can only be achieved in an atmosphere of social and political stability. Urban unemployment as noted already remains the most serious socio-economic problem facing Nigeria. It can be reasonably argued that it is one of the major casual factors for the sporadic political unrests in the country. Surely, it is a problem which if not solved within a reasonable period of time will continue to undermine the country's social and political stability and jeopardise the chances of achieving a fast rate of economic growth. The only way to get to grips with the problem requires among others a skilful use of the pay structure for the efficient reallocation of labour. However, the question

that arises is how can the Nigeria wage policy be geared to achieve these allocative and income distribution objectives necessary for economic development?

In Chapter Four it was argued that since the present prices and incomes policy machinery is so ineffective because of its advisory role that a new permanent machinery with "teeth" should be established. In this regard, since wage policies cannot fully cope with inflation arising from external sources we specifically call for an integrated national development policy which combines both wages and incomes policies under one 'roof', to form one powerful machinery as we proposed in Chapter Four with all the functions and responsibilities. The danger to economic development of the absence of such a machinery is reflected in the manner in which wages and incomes in the country have over the years been determined by political and other non-economic factors without due considerations to their implication for economic development. It is in this light that a new 'machinery' much more powerful than the present (PP1B) Productivity Prices and Incomes Board which has been no more than a discussion forum is strongly advocated for. The composition and functions of such a body have already been treated in chapter Four.

Surely, the machinery might not be a panacea for all the ills of wage policy issues in the country, but there is no doubt that if the new machinery - Pay and Prices Commission - were to be fairly and efficiently administered, it can ensure proper 'pay structure' which would be able

to fulfil both labour allocation and income distribution objectives necessary for economic development.

In this section, we have examined the objectives of wage policy; we also tried to appraise the Nigerian wage structure as an instrument for equitable income distribution, and as an incentive for meeting the manpower requirement necessary for rapid economic development. Our surveys showed an immense personal significance of pay to the respondents. For example, in chapter six, a Nigerian Airways luggage loader indicated the willingness of his work-mates to join the local trade unions, if the union officials could secure a better pay deal for them. Also see chapter 6, Section (A).. Further, our research shows that if the government decides to use wage policies as instruments for planning, it should not forget workers attitudes and values.

FOOTNOTES TO CHAPTER EIGHT

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CHAPTER NINE  
TOWARDS THE FUTURE

9.19 Collective Bargaining in Nigeria -  
A New Approach and Conclusions.

In the preceding chapters we presented a picture of the main mechanisms of wage determination process in Nigeria. We also examined the role of trade unions in the wage determination process. Some hypotheses were developed and later tested to establish some aspects of employee behaviour and relate them to the differing wage determination mechanisms operating in the two organisations. Our analysis reveals that workers in the company where collective bargaining process is the basis of wage determination were more satisfied with their jobs, and had feelings of a sense of achievement. In contrast, workers in the other company where other forms of wage determination mechanism are used were found to be alienated. We also examined the structure and organisation of the Nigerian trade union movement as well as the role of wage policy in economic development.

However, given that the question in the country is no longer how to institute collective bargaining process in the industrial relations system, but how to make it more

efficient and effective as a system; we shall consider what are the best means of encouraging the development of collective bargaining. Hence the purpose of this chapter.

In chapter three, we found that collective bargaining process in Nigeria was an ineffective and almost neglected mechanism of wage determination inspite of the overwhelming support given to it by the social partners since its inception in the country. We also noted, how, both the first post-independence civilian government under the premiership of Tafawa Balewa and the military administration under General Yakubu Gowon did express their commitment to the process through a series of official statements at both national and international levels.<sup>1</sup> One might ask then, why hasn't collective bargaining process taken its proper place in the Nigerian wage determination system?

Undoubtedly, a number of reasons account for this practical neglect. The first and perhaps the most important factor is the controversy surrounding the use of the term 'voluntary', in the collective bargaining process, in the country. Most government officials are of the

opinion that the word 'voluntary' should not be used to prefix the Nigerian collective bargaining process, arguing that it encourages 'differentials' in wages and conditions of employment in some industries, firms or geographical areas, since the term implies leaving the regulation of terms and conditions of employment to individual employers. The Morgan Commission while commenting on the importance of collective bargaining process recommended that the government should stress the word 'collective' rather than voluntary.<sup>2</sup> The commission was critical of the use of the term 'voluntary' because it believes that:

"a system which leaves the regulation of wages and conditions of service to the whims and discretion of individual employers institutionalises exploitation of the worst kind."<sup>3</sup>

The second factor is common to all developing countries which is the fear that "wage explosion" with its attendant inflationary tendencies would result if wages and other conditions of employment were left to the whims of union and management. The assumption being that with most modern trade unions' skill, tactics and shrewdness in wage negotiation, inexperienced employers can easily be forced to concede wage payments over and above the government guidelines.

Thirdly, with the apparent higher strike incidence in the private sector<sup>4</sup> (usually a consequence of government wage commission awards) government officials are perhaps assuming that the use of collective bargaining process in the public sector might aggravate the general level of labour conflicts in the country which would result in the further loss of output, discouragement to investors and perhaps damage permanently national development programmes, hence the use of wage tribunals.

However, now that the government seems to have renewed its commitment to the collective bargaining process manifested, for example, by its participation in activities which had hitherto been in private hands, the indigenisation policy and the growing need for an incomes policy, there is now a need for the development of a collective bargaining system which would promote the economic interests of all the social partners, as well as the whole nation. To this end, it is recommended that a "social management" system of collective bargaining (that is a sort of tripartite system) in which the accredited representatives of the social partners - the workers, employers and the government would participate be adopted. In the new arrangements, the social partners would possess equal powers. This would help to allay fears among the workers representatives - the trade unions - hence there would be no grounds for allegations of intimidation and victimisations to be made.

Before we set out to outline the advantages of the new proposal it would be in place to discuss very briefly the measures which are necessary if the 'system' is to be successful. This issue is important because over the years in Nigeria, proposals which look as plausible as the one under discussion have been aborted because of lack of adequate measures to safeguard their operations. For example, in 1964, the Morgan Commission recommended a system along the lines of the present proposal called the 'tripartite agreement',<sup>5</sup> it got off the ground quite alright but was abandoned after few years mainly because of issues relating to its enforcement. As a consequence, the application of sanctions is of fundamental importance to the new proposal. This is not only because the application of sanctions by the parties to a negotiation is important per se, but because it is essential for the overall survival of the new system. Without sanctions the system cannot succeed, no matter how well-structured.

To this end, it is strongly recommended that a special 'law' which would have the capacity of making all the agreements reached on every vital issue such as on wages and other conditions of employment by this body to be 'binding' should be enacted. The importance of this 'legal enactment' to the new proposal is summarized by the comment made by the former federal commissioner of labour on the use of sanctions. He noted that:

Sanctions are an essential feature of our system of labour administration. No law can be effective unless it is enforceable. No law can be enforceable unless there be a sanction for its breach ... the basis of the sanctions is that the term of awards must be capable of being upheld at law".<sup>6</sup>

Surely, without the 'system' having a force of law backed up by effective sanctions for its breach by the social partners - government, unions and employers - the new proposal will be shortlived.

With regard to the advantages of the new approach; firstly, agreements reached under this platform would automatically receive government approval and would no longer be subjected to either major alterations or rejection by any of the 'trials' since their accredited representatives struck such a 'deal'. Secondly, in chapter five we noted that one of the problems facing the collective bargaining process in the country was the impunity with which trade unions reject negotiated agreements because of trivial issues. This social management system of collective bargaining would eliminate such practices, since sanctions would be enforceable for breach.

Thirdly, the problem of union recognition which has remained as one of the most intractable problems facing the Nigerian trade union movement until the later part of 1978, would be taken care of by the new proposal, since



both employers and government recognition would be automatic.

Moreover, apart from the fact that the parties are assured of a stable industrial relations during the life of the collective agreement the government is likely to be satisfied because it would be convinced that such an agreement had been reached with due considerations given to its incomes policy objectives. This would remove an important factor behind most developing countries objection to the use of collective bargaining as a mechanism for wage determination. The assumption being that collective bargaining agreements reached by unions and management alone often result in excessive pay awards over and above government projections which are often injurious to government macro-economic policies - rapid inflation, loss of competitive power for domestic products on world markets and increase of under-employment and unemployment.<sup>7</sup>

Finally, the 'system' would help to reduce strike incidence in the country which has always been at the peak, whenever government appointed wages and salaries review commission makes an award.

On the other hand, however, those who believe in the doctrine of 'voluntary principle' would argue that this arrangement is an infringement by government on industrial relations matters, which are supposed to be purely labour-management affairs. This argument looks plausible but the fact remains that in Nigeria,

bilateral agreements are usually sent to the government for approval and it is up to government to decide upon its legality or the consistency of such agreements. Moreover, as a major employer it should not be kept in abeyance in industrial relations matters which the regulation of wages and other conditions of employment is central.

Additionally, besides being involved in its capacity as an employer it should participate under any other capacity, because government participation is essential if collective bargaining process is to have any credibility as a mechanism for wage determination in Nigeria. Hence, our new collective bargaining proposal - "social management" - which would involve management, unions and the government. It is the only system capable of creating peaceful industrial relations atmosphere essential for rapid economic development which the country is embarking on.

## CONCLUSION

"The method ... by which an end is obtained may be of more consequence than the end itself".

- Henry Maine

In this thesis, we have been concerned with the examination of the various forms or mechanisms of wage determination in Nigeria. The issue has in recent years generated considerable debate among academics, industrialists, trade unionists and public administrators over the suitability of the periodic government appointed wage commissions/arbitration. Since each chapter in the analysis was concluded, this main conclusion would be brief.

Our analysis of the wage determination mechanisms in the country reveals government continued reliance on wage arbitration or commission mechanism inspite of its avowed commitment to the principle of voluntary negotiation and collective bargaining process for the determination of wages. Government adherence to the wage arbitration/commission mechanism stems from its belief that it was the only mechanism capable of ensuring adequate protection for vulnerable employees particularly those engaged in the private sector.

The collective bargaining process as a mechanism for wage determination in the country was found to be confined mainly to the private sector and generally ineffective. A number of factors account for the

ineffectiveness, these include:

- a. Nigerian employers negative attitude towards the trade union movement.
- b. Trade union leadership rivalry.
- c. Government wage commissions consequences for the collective bargaining process.
- d. Dearth of information.

Firstly, with respect to the employers negative attitude, most Nigerian employers detest the idea of their firm having any form of trade union encroachment on their authority and prerogative powers. The few employers that accept the formation of trade unions in their firms prescribed the type of union structure and officials they would be prepared to work with - the weak unions and officials. As a result of this negative attitude, it was difficult for the unions to be recognised for collective bargaining purposes.

Trade union leaders are often found competing among themselves over trade union posts such as the post of the President, General-secretary and the Treasurer. The net effect of the leadership rivalry being that the union leaders hardly had the time to concentrate or perform their traditional union functions which among other things include negotiating wage rates and related issues on behalf of their members.

The belief among most government appointed wage commissions about the process of collective bargaining is that it is inadequate and unsuitable to Nigeria, because it cannot assure economic growth, full-employment and the maintenance of equilibrium between prices and incomes. This lack of confidence in the effectiveness of collective bargaining as a wage determination mechanism even by the authorities makes it more difficult for the workers to give hundred percent backing to it as a very strong alternative to the present mechanism in use - adhoc wage commissions.

The dearth of information on vital factors such as on cost-of-living trends, labour market situation, wage comparisons and economic condition is a further constraint on effective collective bargaining. As collective bargaining is in part an attempt to settle disputes by an appeal to reason than to force, paucity of data on these vital factors disrupt the normal process of negotiation based on facts.

The national minimum wage 'mechanism' was found to be a recent development in the Nigeria wage setting scene. And the basic objectives include: providing protection for low-paid workers considered to be in vulnerable position in the labour market, the elimination of unfair competition, the establishment of a basic floor for the wage structure and as a policy instrument to alter the general level and structure of wage in line with broad national economic and social goals. The national minimum wage fixing

machineries include: the industrial wages boards and the use of fair wages clause. While the following factors constitute the criteria for fixing it:

cost of living index,

nature of the work and

the general level of wages in the country.

Prices and incomes policy as a mechanism of wage determination was similarly found to be relatively a very recent development in Nigeria. It started in 1976, and since it is a new introduction its impact on the wage determination scene in the country could not be easily isolated.

It is clearly evident from our analysis that the Nigerian trade unions have played a significant role in the wage determination process in Nigeria, though they have not succeeded in bringing about such wage increases through direct negotiation as in the United Kingdom. Some of the major problems which have to a large extent affected both the trade unions bargaining role and organisational capacity are identified and classified into primary and secondary problems. The basic or primary problems being:

abuse of office;

lack of finance, poor education and leadership rivalry,

While the secondary problems include:

employers negative attitudes;

rank and file apathy; and

proliferation of unions.

What are our main findings on the basis of our hypotheses? Our study reveals firstly, that employees in the firm using the collective bargaining framework as a basis for determining its workers' wages were more satisfied with their job, pay and other working conditions than the employees in the firm under the centralised wage system. Secondly, the study shows that strike incidence, labour turnover and absenteeism rates were lower in the firm using the collective bargaining mechanism for the settlement of its employees wage rates.

Thirdly, our study reveals that a higher degree of mutual understanding, spirit of compromise and cordiality exist between labour and management in the firm using the collective bargaining mechanism for the determination of its employees wages. In addition, our study shows that the industry under the collective bargaining arrangement has a higher trade union density and more articulate trade union officials. Fourthly, the study reveals that the middle managers - in the collective bargaining firm - the Lever Brothers (Nig.) Ltd., have a more sense of achievement, self-fulfilment and actualisation than their counterparts in the firm under the centralised wage system - the Nigeria Airways Ltd. The middle managers in the Nigeria Airways Ltd were found to be alienated and estranged, with a significant proportion finding their work unrewarding and meaningless; thus providing a hard core underpinning for our hypotheses.

An appraisal of the wage policy shows that it is not geared to produce a 'pay structure' which can be used as an incentive for the allocation of manpower into desired occupations and sectors; for the mobilisation of resources for economic development and as an instrument making for more equitable income distribution. The inadequacy of the pay-structure in these respects stems from the defective wage determination system.

The considerable and potential support for the principle of collective bargaining from our study shows that it is the only wage determination mechanism capable of providing basis for industrial peace if practised honestly. This is because it offers a feeling of trust, compromises and accommodation. It can change the cynical and suspicious attitudes of workers and management towards each other. Through effective communication and human relationships, labour and management can understand and appreciate their problems more clearly and so arrive at agreement through dialogue and cooperation. For employees to co-operate, however, their participation through their representatives in matters affecting their working lives is essential.

To make collective bargaining an effective wage determination mechanism in the country in order to evolve industrial harmony or lessen industrial conflict, it is necessary to establish a 'social management' system of collective bargaining (a sort of tripartite system) - a system which would involve both government, labour and



employers. With government participating fully, less emphasis would be paid to the wage tribunals. For this machinery to be really effective, firstly, it is essential to have some sanctions to guide the parties. These sanctions would help to ensure that agreements reached by the parties are implemented. Secondly, intense labour and management education tailored to stimulate awareness, critical evaluations of labour relations and other issues which affect the quality of life in a modern society is essential. The subject matter for this education would include all aspects of industrial relations, leadership training, role of government in industrial relations human relations and indeed any other subject matters which would create a high level of understanding (between labour, management and the government) necessary for the successful functioning of collective bargaining process. This study has generated many questions which need to be researched into, issues such as the role of union in wage determination and the question of wage policy and economic development.

REFERENCES FOR CHAPTER NINE

1. For example, in 1955, the former Prime Minister re-affirmed the government's confidence in the effectiveness of voluntary negotiation and collective bargaining for the determination of wages. In 1969, the military leaders re-affirmed its support for collective bargaining. See ILO ministerial conference record of proceeding 38th session Geneva, 1955, p.53; Federal Ministry of Labour Annual Report, 1968/69, Para.118.
2. Morgan Commission Report, Para.116, Federal Ministry of Information Printing Division, Lagos, 1964.
3. Ibid, page 97.
4. See Chapter 3.8.
5. Morgan Salaries and Wages Review Commission Report 1964. See also Federal Republic of Nigeria: Articles of Agreement of the Negotiating Body on the Review of Wages. Ministry of Labour mimeograph, January 1964, Articles 3 & 4.
6. Address by Brigadier H.E. Adefope - Federal Commissioner for Labour to representatives of Unions and NECA on the New National Labour Policy; December 1975, Objective No.5.
7. See for example, the ILO/FRG inter-regional round table on the Relationship between Labour Law and Labour Relations, Geneva 1974, (Arguments against Collective Bargaining) pp.14-15.

A. FACTUAL

1. What is your job \_\_\_\_\_
  - (a) How long have you been employed by this company  No Years
  - (b) Have you worked else where before  Yes  No
  - (If yes)
  - (c) Which Company (s) \_\_\_\_\_
  - (d) For How long  No. Yaars
2. SEX:  MALE  FEMALE
  - (a) What is your Marital Status:
    - Married
    - Single
    - Widowed
    - Divorced
  - (b) What was your age last birthday  years
3. What is your Present Educational Qualification
  - WASC
  - Primary Six
  - Higher Elementary
  - GCE 'O' Level
  - None.
  - (a) Apart from your Educational qualification, have you had another formal Training on your Present Job Yes  No
4. Are you a memembr of any Union Yes  No 
  - (if yes)
  - a. What is the Nama of your Union \_\_\_\_\_
  - (b) Do you pay any 'Dues' to your Union Yes  No
  - if yes
  - (c) How much Is your monthly Dues' \_\_\_\_\_ Naira \_\_\_\_\_ Kobo
  - (if not to)
  - (d) Why is THAT
5. Are you a member of any Polittical Party Yes  No 
  - (if yes) (a) which political party.....

B. GENERAL OPINION QUESTIONS

6. JOB SATISFACTION 
  - (a) To what extent are you satisfied with your job
    - Very satisfied
    - Satisfied
    - MODERATELY SATISFIED
    - DISSATISFIED
    - VERY DISSATISFIED
7. Thinking of your job and the pay that you receive from it does the pay actually reflect the effort you put in? Yes  No 
  - (if yes)
  - (a) To what degree
    - Very WELL
    - QUITE WELL
    - MODERATELY WELL
    - NOT VERY WELL
    - Not at all

8. How would you Rate the Quality of your management in dealing with every aspect of work situation particularly in I. R. Matters e.g. employee problems

- Excellent
- Very good
- Good
- Bad
- Very bad

9. How do you find your working conditions compared with those in similar industries or firms

Are the Conditions

- Very SATISFACTORY
- SATISFACTORY
- Average
- Poor
- VERY POOR

10. How important is it that employee (worker s) should be given information about the firms or Company's financial activities?

- Very important
- Important
- Moderately Important
- Unimportant

Very unimportant.

11. Thinking of promotion

- VERY GOOD
- GOOD
- ABOUT AVERAGE
- BAD
- VERY BAD

PERSPECTS GENERALLY in your Co. Do you CONSIDER your pros to be?

12. What type of the job would you like to be doing in say 3 years time?

13. Do you think that the joint Industrial Council (Joint negotiating Council) are doing a good job in wege issues; and how would you Rate this

- Very good
- good
- Average
- Bad
- Very Bad

14. Considering your years of experience in Industrial matters which should be the most important criterion for determing wages.

- Number of hours worked
- Working Conditions
- profitability basis
- Comparability basis
- Job evaluation technique

15. Thinking of your wages, again how far do you think that you are receiving a fair-days-pay for a fair-days-work?

- STRONGLY Agreed.
- Agreed
- Moderately Agreed.
- Disagreed
- Strongly disagreed

Name of Respondent: -

Address: -

QUESTIONNAIRE

A. FACTUAL

1. What is your job? ILLUSTRATION
- (a) How long have you worked for this Company  Years
- (b) Have you worked for another company before Yes  No
- If Yes
- (c) Which Company (s) \_\_\_\_\_
- (d) For how long  No. Years
2. SEX:  MALE  FEMALE
- (a) What is your Marital Status
- Married
- Single
- Widowed
- Divorced
- (b) What was your age last birthday?  18 Years.
3. What is your Present Educational Qualification
- WASC
- Primary Six
- Higher Elementary
- GCE 'O' Level
- None.
- (a) Apart from your Educational Qualification. Have you had another Training in your present job Yes  No
- if yes
4. Are you a member of any Union Yes  No
- if yes
- (a) What is the Name of your Union: ILLUSTRATION
- (b) Do you pay any Union Dues to your Union Yes  No
- if yes
- (c) How much is your monthly Dues — Neira 50 Kobo
- (if No) (d) Why is THAT
5. Are you a member of any Political party? Yes  No
- (a) Which Political Party \_\_\_\_\_

B. GENERAL OPINION QUESTIONS

6. To what extent are you satisfied with your Present job
- Very satisfied.
- Satisfied
- Averagely Satisfied
- Dissatisfied.
- Very dissatisfied
7. Think of your job and the Pay that you get as a result, does the pay actually reflect the effort you put in. Yes  No
- (if yes) (a) To what degree.
- Very well
- QUITE WELL
- MODERATELY WELL
- NOT VERY WELL
- NOT AT ALL.

8. How would you Rate the Quality of your management in dealing with every aspect of work situation particularly in-Employee problems

- Excellent
- Very good
- good
- Bad
- Very Bad

9. How do you find your working condition compared with those in similar industries. Are the Conditions

- Very Satisfactory
- Satisfactory
- Average
- Poor
- Very Poor

10. Thinking of Promotion Prospects generally in the company do you consider you prospects to be

- Very good
- good
- About Average
- Bad
- Very Bad.

11. How important is it that Employees (Workers) should be given information about the firms or Company's financial activities.

- Very Important
- Important
- Averagely Important
- Un important.

very unimportant

12. To what extent do you reckon that the Trade Unions should be involved in wage determination Process

- Fully Committed
- Committed
- Averagely Committed
- Not Committed
- Not at all committed.

13. Do you think that the wage Commissioners such as Udoji, Adebayo, etc, do a good job? how would you Rate such good job?

- Very good
- good
- Moderate.
- Bad
- Very bad

14. Considering your wealth of experience in Industrial matter which should be the most important criterion for determining wages?

- No of hours worked
- Working Conditions
- Profitability of work
- Comparability basis
- job evaluation technique

15. Thinking of your wages, again, how far do you think that you are receiving a fair days pay for a fair-days work.

- Totally agreed
- agreed

SUPPLEMENT TO OFFICIAL GAZETTE NO. 43, VOL. 63, 26TH AUGUST, 1976—  
PART A

TRADE UNIONS (CENTRAL LABOUR ORGANISATIONS)  
(SPECIAL PROVISIONS) DECREE 1976



DECREE NO. 44

(18th August 1976) Commencement.

The FEDERAL MILITARY GOVERNMENT hereby decrees as follows:-

- 1.—(1) The registration of the bodies specified in subsection (2) of this section as central labour organisations for the purposes of the Trade Unions Decree 1973 is hereby cancelled. Cancellation of registration of existing central labour organisations.
- (2) The bodies referred to in subsection (1) of this section are:-
- (a) The Labour Unity Front,
  - (b) The Nigerian Trade Union Congress,
  - (c) The Nigerian Workers Council, and
  - (d) The United Labour Congress of Nigeria.
- 2.—(1) There shall for the purposes of this Decree be an Administrator who shall be appointed by the Commissioner with the approval of the Federal Executive Council. Appointment of Administrator and of assistants for the Administrator.
- (2) The Administrator may, after consultation with the Commissioner, appoint not more than six persons to perform, or assist in the performance of, such of the functions of the Administrator as the Administrator may determine.
- 3.—(1) The Administrator is hereby charged with responsibility — Functions of the Administrator.
- (a) for performing on behalf of trade unions the same duties as are normally performed by a central labour organisation, including —
- (i) representing the general interests of trade unions on any advisory body set up by the Federal Military Government;
  - (ii) promoting the education of members of trade unions in the field of labour relations and connected fields;
  - (iii) collecting and disseminating to members of trade unions information and advice on economic and social matters;
  - (iv) giving advice, encouragement and financial assistance to trade unions in need thereof;
- (b) for taking all steps necessary to effect the formation of a single central labour organisation to which shall be affiliated all trade unions in Nigeria;

Trade Unions (Central Labour Organisations)  
(Special Provisions)

1976 No. 44

A 197

(4) If the Inspector-General of Police is satisfied that any property to which this section relates continues to be held by any person after the expiration of the period specified in subsection (2) above the Inspector-General may direct any police officer to recover such property and the police officer so directed may use such force as may be necessary to effect the recovery of the property.

8. If any person other than the Administrator or any person acting under the authority of the Administrator —

- (a) acts or purports to act on behalf of any of the bodies mentioned in section 1 of this Decree;
- (b) does anything preparatory to or concerning the formation of a central labour organisation,

Offence in connection with the affairs of old or proposed central labour organisations.

he shall be guilty of an offence and liable on conviction to a fine not exceeding ₦2,000 or imprisonment for a term not exceeding two years.

9.—(1) In this Decree —

Interpretation, etc.

“Administrator” means the person appointed as such pursuant to section 2 of this Decree;

“Commissioner” means the Federal Commissioner charged with responsibility for labour.

(2) Expressions used in this Decree shall, unless the context otherwise requires, have the same meaning as in the Trade Unions Decree 1973.

1973 No. 31

(3) As from the commencement of this Decree sections 33 to 38 of the Trade Unions Decree 1973 shall cease to have effect.

10. This Decree may be cited as the Trade Unions (Central Labour Organisations) (Special Provisions) Decree 1976.

Citation.

Made at Lagos this 18th day of August, 1976.

LT.-GENERAL O. OBASANJO  
Head of the Federal Military Government,  
Commander-in-Chief of the Armed Forces,  
Federal Republic of Nigeria



APPENDIX DSTRUCTURE OF NIGERIAN LABOUR MOVEMENT UNDER THE NEW  
ARRANGEMENT, DECEMBER 1978

NAME OF UNION	NUMBER OF MERGING UNIONS	ESTIMATED MEMBER- SHIP
1. National Union of Hotel and Provisions of Serv. work	14	6127
2. National Union of Shop & Dis- tributive Employees	40	30,105
3. National Union of Petro and Natural Gas Workers	21	13,332
4. National Union of Chemical & Non-metallic Product Workers	37	11,753
5. Automobile, Boatyard, Trans- port Equipment and Allied Workers' Union of Nigeria	17	6,778
6. Nigerian Coal Miners Union	1	1,610
7. Nigerian Union of Seamen and Water Transport Workers	12	7,606
8. Nigerian Civil Service Union	22	37,233
9. Civil Service Technical Workers' Union of Nigeria	30	81,316

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NAME OF UNION	NUMBER OF MERGING UNIONS	ESTIMATED MEMBERSHIP
10. Nigerian Union of Civil Service Typists, Stenographic and Allied Staff	2	10,236
11. Non-academic Staff Union of Educational and Associated Institutions	33	28,288
12. National Union of Public Cor- poration Employees.	17	13,223
13. Agricultural and Allied Workers Union	17	61,045
14. Radio, Television and Theatre Workers' Union	12	1,974
15. Printing and Publishing Workers' Union	13	2,963
16. National Union of Paper and Paper Products Workers	10	3,557
17. Metal Products Workers' Union of Nigeria	30	7,793
18. National Union of Road Transport Workers	10	3,301
19. National Union of Local Govern- ment Employees	10	19,340
20. Medical and Health Workers Union of Nigeria	17	9,120

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NAME OF UNION	NUMBER OF MERGING UNIONS	ESTIMATED MEMBERSHIP
21. National Association of Nigeria Nurses and Midwives	3	7,221
22. Nigerian Union of Construction and Civil Engineering Workers	22	47,524
23. National Union of Furniture Fixture and Wood Workers	7	36,474
24. Footwear, Leather, Rubber Products, Workers' Union of Nigeria	11	4,504
25. National Union of Textile, Garment and Tailoring Workers	37	40,908
26. Iron and Steel Workers Union of Nigeria	15	6,308
27. Metallic and Non-metallic Mines Workers' Union	2	14,733
28. National Union of Air Transport Services Employees	7	3,157
29. National Union of Electricity and Gas Workers	6	11,512
30. Nigerian Union of Pensioners	5	9,648
31. Precision Electrical and Related Equipments Workers' Union	8	2,009
32. Dock Workers Union of Nigeria	7	12,591
33. Nigeria Ports Authority Workers Union	6	11,186

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NAME OF UNION	NUMBER OF MERGING UNIONS	ESTIMATED MEMBERSHIP
34. Nigerian Union of Teachers	55	1,53,541
35. Nigerian Union of Railwaymen	55	27,352
36. National Union of Banks, Insurance and Financial Institutions	9	15,401
37. National Union of Food, Beverage and Tobacco Employees	26	14,883
38. National Union of Postal and Telecommunications Employees	8	9,722
39. Union of Shipping, Clearing and Forwarding Agencies Workers	13	2,845
40. Recreational Services Employees' Union	6	747
41. Customs & Excise And Immigration Staff Union	2	2,350
42. Nigerian Union of Journalists	1	N.A.

SENIOR STAFF ASSOCIATIONS

43. Electricity and Gas Senior Staff Association	1	13
44. Water Transport Senior Staff Association	11	326
45. Association of Senior Civil Servants of Nigeria	2	N.A.

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NAME OF UNION	NUMBER OF MERGING UNIONS	ESTIMATED MEMBERSHIP
46. Food, Beverage and Tobacco Senior Staff Association	3	257
47. Footwear, Leather and Rubber Products Senior Staff Association	1	80
48. Association of Senior Staff of Bank, Insurance and Financial Institution	6	1,123
49. Metallic and Non-metallic Mines Senior Staff Association	2	1,565
50. Shop and Distributive Trade Senior Staff Association	4	890
51. Petroleum and Natural Gas Senior Staff Association of Nigeria	2	991
52. Chemical and Non-metallic Products Senior Staff Association	2	113
53. Senior Staff Association of Shipping, Clearing and Forwarding Agencies	1	46
54. Textile, Garment and Tailoring Senior Staff Association	3	284
55. Automobile, Boatyard, Transport Equipment and Allied Senior Staff Association	2	260

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NAME OF UNION	NUMBER OF MERGING UNIONS	ESTIMATED MEMBERSHIP
56. Senior Staff Association of Statutory Corporations and Government-owned Companies	6	1,780
57. Construction and Civil Engineering Senior Association	3	161

PROFESSIONAL UNIONS

58. National Association of Aircraft Pilots and Engineers	1	78
59. Nigerian Medical Association	1	N.A.
60. Academic Staff Union of Nigerian Universities	2	N.A.
61. Nigerian Union of Professions Allied to Medicine	2	536

EMPLOYERS' ASSOCIATION

62. National Union of Agricultural and Allied Employers	1	9
63. Nigerian Employers Association Banks, Insurance & Allied Institutions	2	39
64. National Association of Conversancy Employers	2	350
65. Association of Food Beverag1 and Tobacco Employers	6	932

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NAME OF UNION	NUMBER OF MERGING UNIONS	ESTIMATED MEMBERSHIP
66. Hotel and Personal Service Employers' Association	2	285
67. Construction & Civil Engineering Employers' Association of Nigeria	1	N.A.
68. National Union of Dock Labour Employers	N.A.	N.A.
69. Road Transport Employers' Association of Nigeria	4	718
70. Nigerian Mining Employers Association	3	50
<u>CENTRAL LABOUR ORGANISATION</u>		
Nigeria Labour Congress	42	N.A.
TOTAL	946	837,375

## LEVER BROTHERS NIGERIA LTD.

## PRICE LISTS

## SOAP AND DETERGENTS

PRODUCT	PACK	OUR SELLING PRICE PER CASE	MAXIMUM RETAIL PRICE
Key Bar (Yellow & Green)	30 Bars	₦16.80	63k
Handprint Bar	30 "	₦13.87	52k
Sunlight Soap	72 Tablets	₦12.08	19k
Lux Toilet Soap Personal	144 "	₦ 8.96	7k
Lux Toilet Soap Popular	96 "	₦11.95	14k
Lux Toilet Soap Standard (White, Pink, Green & Blue)	72 "	₦14.72	23k
Lux Toilet Soap Bath (White, Pink, Green & Blue)	36 "	₦ 9.60	30k
Rexona Toilet Soap Standard	72 "	₦12.80	20k
Astral Soap Standard	72 "	₦17.92	28k
Astral Soap Bath	36 "	₦13.83	44k
Asepto Standard	72 "	₦22.94	37k
Omo Sachet	144 Sachets	₦15.30	12k
Omo/Surf Medium	48 Packets	₦19.48	45k
Omo/Surf Large	24 "	₦17.47	80k
Omo/Surf Giant	12 "	₦18.20	₦2.50
Omo/Surf Bulk	10-kg. Bag	₦13.00	₦13.00
Vim Medium	24 Canisters	₦ 9.64	45k
Vim Large	24 "	₦13.88	65k
Nobla L	4 Kegs	₦13.00	₦3.25
Nobla L	200-kg. Drum	₦115.00	₦115.00
Penetrax Ordinary	200-kg. Drum	₦120.00	₦120.00
Penetrax Special	200-kg. Drum	₦195.00	₦195.00
Hytox	4 kegs	₦15.00	₦3.75
Hytox	200-kg. Drum	₦145.00	₦145.00

This Price List replaces all previous Price Lists.

EFFECTIVE: 24th December 1980

GENERAL SALES MANAGER



## LEVER BROTHERS NIGERIA LTD

## PRICE LISTS

## EDIBLES

<u>PRODUCT</u>	<u>PACK</u>	<u>OUR SELLING PRICE PER CASE</u>	<u>MAXIMUM RETAIL PRICE</u>
Tree Top Orange	12 Bottles	₦14.45	₦1.40
Tree Top Lemon	12 "	₦14.45	₦1.40
Tree Top Pineapple	12 "	₦14.45	₦1.40
Tree Top Lime	12 "	₦16.08	₦1.55
Tree Top Black Currant	12 " : 000	₦19.63	₦1.90
Tree Top Instant (Orange)	144 Sachets	₦14.93	12k
Tree Top Instant (Pineapple)	144 "	₦14.93	12k
Blue Band Margarine Medium	48 Tins	₦25.12	58k
Blue Band Margarine Large	24 "	₦20.50	95k
Blue Band Margarine Giant	8 "	₦31.00	₦4.35
Cookeen Small	36 "	₦36.05	₦1.15
Cookeen Large	12 "	₦31.33	₦3.00
Covo 1-Litre	12 Bottles	₦35.56	₦3.50
Covo 4-Litre	4 Tins	₦37.10	₦11.00
Covo Industrial	18-Litre Tin	₦34.00	₦34.00
Soft Planta Tub Small	24 Tubs	₦13.15	68k
Soft Planta Tub Large	12 Tubs	₦12.68	₦1.32
Planta Packet (225gm.)	48 Packets	₦21.25	55k
Holsum Bakery Fat Ordinary	16-kg. Tin	₦19.00	₦19.00
Special Holsum Bakery Fat	16-kg. Tin	₦19.50	₦19.50
Holsum Bakery Fat Ordinary	190-kg. Drum	₦215.00	₦215.00
Special Holsum Bakery Fat	190-kg. Drum	₦220.00	₦220.00
Riskin	190-kg. Drum	₦255.00	₦255.00
Solo	160-kg. Drum	₦210.00	₦210.00
Palmin	190-kg. Drum	₦230.00	₦230.00

This price list replaces all previous price lists.

Effective: 24th December 1980.

General Sales Manager

## LEVER BROTHERS NIGERIA LIMITED

## PRICE LIST

## TOILETTERIES

<u>PRODUCT</u>	<u>PACK</u>	<u>OUR SELLING PRICE PER DOZEN</u>	<u>MAXIMUM RETAIL PRICE</u>
Pepsodent Standard	12 x 12 Tubes	₦4.96	48k
Pepsodent Large	12 x 12 "	₦7.22	70k
Pepsodent Economy	6 x 12 "	₦10.61	₦1.05k
Pepsodent Family	4 x 12 " "	₦13.61	₦1.35k
Close-Up Standard	12 x 12 "	₦ 5.47	53k
Close-Up Large	12 x 12 "	₦ 7.72	75k
Close-Up Economy	6 x 12 "	₦11.61	₦1.15k
Close-Up Family	4 x 12 "	₦14.61	₦1.45k
Astral Cream Popular	6 x 12 Pots	₦ 7.50	75k
Astral Cream Large	4 x 12 "	₦11.54	₦1.20k
Astral Cream Family	3 x 12 "	₦18.00	₦1.80k

This price list replaces all previous price lists.

Effective: 24th December, 1980

GENERAL SALES MANAGER

## LEVER BROTHERS NIGERIA LIMITED

15 DOCKYARD ROAD,  
P.O. BOX 15,  
APAPA,  
Nigeria.

TELEPHONE: APAPA 803300-9  
TELEGRAMS: NEPTUNE, APAPA  
TELEX: 21520

24th December, 1980.

## PRICE LISTS

## CONDITIONS OF SALE

1. Conditions of sales and prices are liable to be amended.
2. Minimum order quantities will be as specified by the Company from time to time.
3. Payments will be made fully in cash before collection of goods except as specified by the Company.
4. The price to be charged will be that price ruling at the date of collection.
5. The buyer shall be responsible for the collection of the goods from the Company's premises unless otherwise agreed.
6. The Company does not accept any liability to supply any order in total or in part.
7. Title to goods passes from the Company on collection from a duly authorised depot to the buyer.
8. The Company will not be liable for any defect in the goods once they have left its premises.
9. All accredited customers of the Company agree to sell only at those maximum prices that may be specified from time to time by the Company.
10. Any sales above the fixed maximum prices will lead to immediate termination of supplies.

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**DIRECTORS:**

Nigerian: Dr. M.O. Omolayole (Chairman/Managing Director)  
British : J.H. Kempster (Vice-Chairman/Deputy Managing Director)  
Nigerian: A.A. Abidogun  
British: B.K. Bezant  
Dutch : J. Derwig  
Nigerian: Alhaji S.O. Alatise  
Nigerian: J.A. Adediran  
British : M. I. Duns  
Nigerian: C.O. Enuke  
Nigerian: Chief R.F. Giwa  
Nigerian: A.A. Ayida  
Nigerian: S.C. Ikenze

APPENDIX F NIGERIA AIRWAYS LIMITED  
PASSENGER CARRIED BY CARRIER BY NATIONALITY

ROUTE: EUROPEAN

YEAR 1980 .....

TABLE: 1NIGERIA/UK/NIGERIA

CARRIER/SECTOR	BRITONS	NIGERIANS	OTHERS	TOTAL
<u>BRITISH CALEDONIAN:</u>				
KANO/LONDON	2840)	3872)	2380)	9092)
LAGOS/LONDON	20052)	34566)	14840)	69458)
NATIONALITY MIX %	29.1%	48.9%	22.0%	100%
<u>LONDON/KANO</u>				
LONDON/LAGOS	3633)	2953)	1856)	8442)
NATIONALITY MIX %	21432)	29941)	12381)	63754)
NIG/UK/NIGERIA	34.7%	45.6%	19.7%	100%
NATIONALITY MIX %	47957	71332	31457	150746
NATIONALITY MIX %	31.8%	47.3%	20.9%	100%
<u>NIGERIA AIRWAYS:</u>				
KANO/LONDON	751)	6394)	2357)	9502)
LAGOS/LONDON	2440)	33459)	4347)	40246)
NATIONALITY MIX %	6.4%	80.1%	13.5%	100%
<u>LONDON/KANO</u>				
LONDON/LAGOS	881)	8131)	1777)	10789)
NATIONALITY MIX %	3264)	41509)	4967)	49740)
NIG/UK/NIGERIA	6.9%	82.0%	11.1%	100%
NATIONALITY MIX %	7336	89493	13448	110277
NATIONALITY MIX %	6.7%	81.1%	12.2%	100%
<u>TOTAL: NIG/UK(BR+WT)</u>				
BR % CARRIED	26083	78291	23924	128298
WT % CARRIED	87.8%	49.1%	72.0%	61.2%
	12.2%	50.9%	28.0%	38.8%
<u>TOTAL: UK/NIG(BR+WT)</u>				
BR % CARRIED	29210	82534	20981	132725
WT % CARRIED	85.8%	39.9%	67.9%	54.4%
	14.2%	60.1%	32.1%	45.6%
<u>TOTAL: NIG/UK/NIGERIA (BR + WT)</u>				
BR % SHARE	55293	160825	44905	261023
WT % SHARE	86.7%	44.4%	70.1%	57.8%
NATIONALITY MIX %	13.3%	55.6%	29.9%	42.2%
	21.2%	61.6%	17.2%	100%

ROUTE: AMERICAN

TABLE 1

NIGERIA/USA/NIGERIA

CARRIER/SECTOR	AMERICANS	NIGERIANS	LIBERIAN	OTHERS	TOTAL
<u>PAN AM</u>					
LAGOS/NEW YORK NATIONALITY MIX %	3,099 21.4%	8,543 58.9%	- -	2,856 19.7%	14,498 100%
NEW YORK/LAGOS NATIONALITY MIX %	2,982 23.3%	8,081 62.9%	- -	1,775 13.8%	12,838 100%
NIGERIA/USA/NIGERIA NATIONALITY MIX %	6,081 22.3%	16,624 60.8%	- -	4,631 16.9%	27,336 100%
<u>NIGERIA AIRWAYS LIMITED</u>					
LAGOS/NEW YORK NATIONALITY MIX %	1,333 11.9%	8,808 78.7%	- -	1,056 9.4%	11,197 100%
NEW YORK/LAGOS NATIONALITY MIX %	1,494 12.2%	9,908 80.9%	- -	842 6.9%	12,244 100%
NIGERIA/USA/NIGERIA NATIONALITY MIX %	2,827 12.1%	18,716 79.8%	- -	1,898 8.1%	23,441 100%
<u>TOTAL: NIGERIA/USA (PA+WT)</u>	4,432	17,351	-	3,912	25,695
PA % CARRIED	69.9%	49.2%	-	73.0%	56.4%
WT % CARRIED	30.1%	50.8%	-	27.0%	43.6%
<u>TOTAL: USA/NIGERIA (PA+WT)</u>	4,476	17,989	-	2,617	25,082
PA % CARRIED	66.6%	44.9%	-	67.8%	51.2%
WT % CARRIED	33.4%	55.1%	-	32.2%	48.8%
<u>TOTAL: NIGERIA/USA/NIGERIA (PA+WT)</u>	8,908	35,340	-	6,529	50,777
PA % SHARE	68.3%	47.0%	-	70.9%	53.8%
WT % SHARE	31.7%	53.0%	-	29.1%	46.2%
NATIONALITY MIX %	17.5%	69.6%	-	12.9%	100%

TABLE 2

NIGERIA/BRAZIL/NIGERIA

CARRIER/SECTOR	BRAZILLIANS	NIGERIANS	OTHERS	TOTAL
<u>VARIG</u>				
LAGOS/BRAZIL NATIONALITY MIX %	931 27.6%	1,199 35.6%	1,239 36.8%	3,369 100%
BRAZIL/LAGOS NATIONALITY MIX %	1,390 41.4%	1,006 29.9%	963 28.7%	3,359 100%
NIGERIA/BRAZIL/NIGERIA NATIONALITY MIX %	2,321 34.5%	2,205 32.8%	2,202 32.7%	6,728 100%

TABLE: 1

## NIGERIA/WEST COAST (AFRICA)/NIGERIA

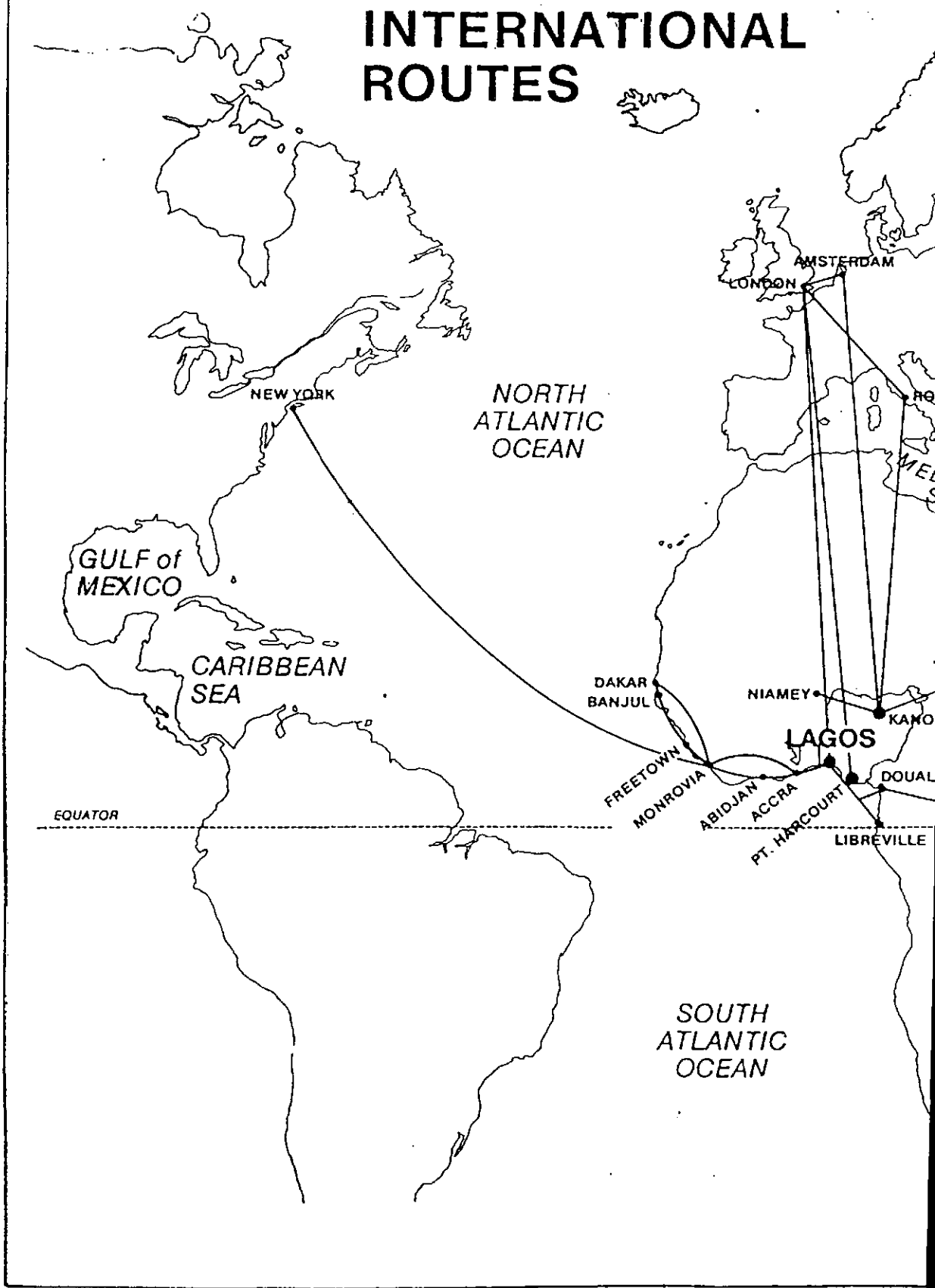
CARRIER/SECTOR	GHANAIANS	NIGERIANS	FRENCH	OTHERS	TOTAL
<u>GHANA AIRWAYS LIMITED:</u>					
LAGOS/WEST COAST NATIONALITY MIX %	33,170 88.2%	2,241 6.0%	304 0.8%	1,909 5.0%	37,624 100%
WEST COAST/LAGOS NATIONALITY MIX %	33,037 86.9%	2,199 5.8%	396 1.0%	2,366 6.3%	37,998 100%
NIGERIA/WEST COAST/NIGERIA NATIONALITY MIX %	66,207 87.5%	4,440 5.9%	700 0.9%	4,275 5.7%	75,622 100%
<u>NIGERIA AIRWAYS LIMITED:</u>					
LAGOS/WEST COAST NATIONALITY MIX %	13,608 34.9%	14,650 37.6%	3,470 8.9%	7,220 18.6%	38,948 100%
WEST COAST/LAGOS NATIONALITY MIX %	5,329 20.2%	11,729 44.5%	2,873 10.9%	6,429 24.4%	26,360 100%
NIGERIA/WEST COAST/NIGERIA NATIONALITY MIX %	18,937 29.0%	26,379 40.4%	6,343 9.7%	13,649 20.9%	65,308 100%
<u>CAMEROUN AIRWAYS LIMITED:</u>					
LAGOS/WEST COAST NATIONALITY MIX %	-- --	1,328 30.6%	2,231 51.3%	787 18.1%	4,346 100%
WEST COAST/LAGOS NATIONALITY MIX %	-- --	1,451 39.2%	1,492 40.3%	756 20.5%	3,699 100%
NIGERIA/WEST COAST/NIGERIA NATIONALITY MIX %	-- --	2,779 34.5%	3,723 46.3%	1,543 19.2%	8,045 100%
<u>AIR AFRIQUE:</u>					
LAGOS/WEST COAST NATIONALITY MIX %	-- --	4,395 25.2%	9,429 54.0%	3,631 20.8%	17,455 100%
WEST COAST/LAGOS NATIONALITY MIX %	-- --	3,501 28.8%	5,242 43.1%	3,416 28.1%	12,159 100%
NIGERIA/WEST COAST/NIGERIA NATIONALITY MIX %	-- --	7,896 26.7%	14,671 49.5%	7,047 23.8%	29,614 100%
<u>AIR GABON:</u>					
LAGOS/WEST COAST NATIONALITY MIX %	-- --	976 28.9%	1,561 46.3%	836 24.8%	3,373 100%
WEST COAST/LAGOS NATIONALITY MIX %	-- --	1,151 35.4%	1,176 36.2%	921 28.4%	3,248 100%
NIGERIA/WEST COAST/NIGERIA NATIONALITY MIX %	-- --	2,127 32.2%	2,737 41.3%	1,757 26.5%	6,621 100%
<u>UTA:</u>					
KANO/WEST COAST NATIONALITY MIX %	-- --	15 8.1%	99 53.5%	71 38.4%	185 100%
WEST COAST/KANO NATIONALITY MIX %	-- --	11 5.2%	128 60.1%	74 34.7%	213 100%
NIGERIA/WEST COAST/NIGERIA NATIONALITY MIX %	-- --	26 6.5%	227 57.0%	145 36.5%	398 100%





# NIGERIA AIRWAYS

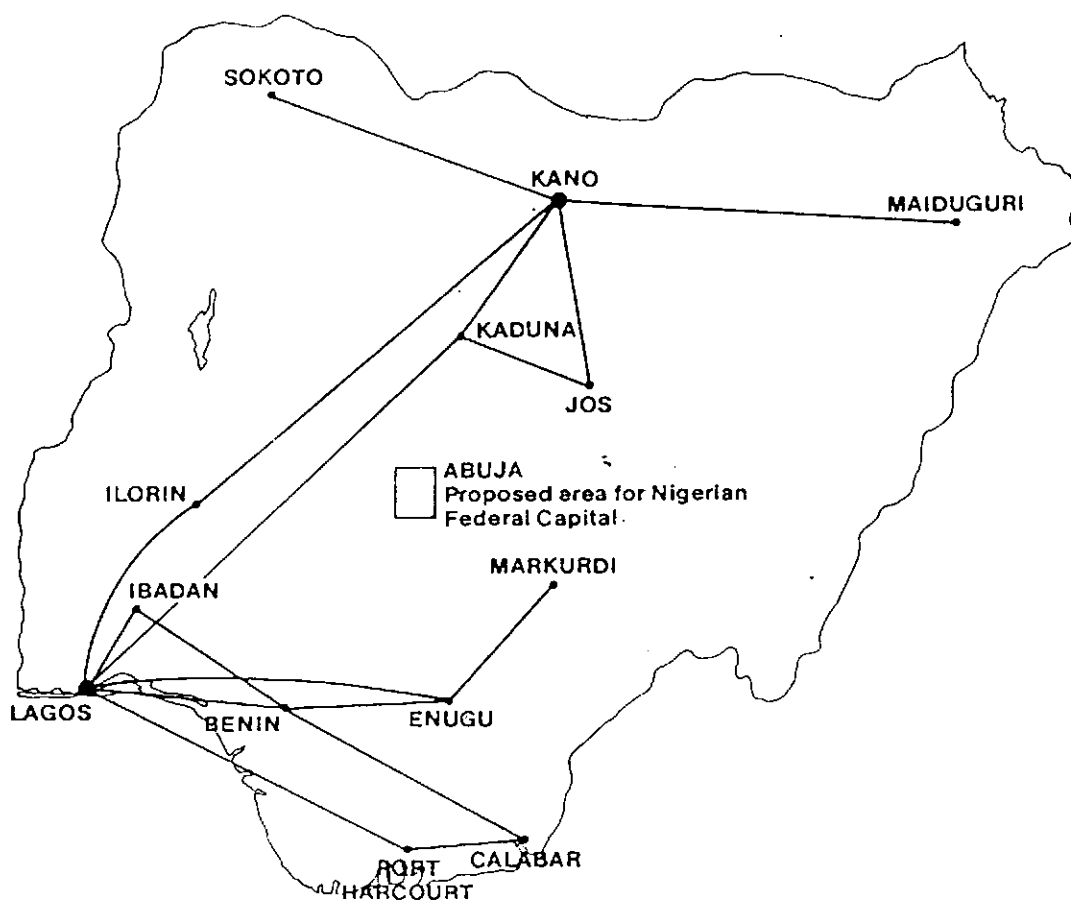
## INTERNATIONAL ROUTES







**NIGERIA AIRWAYS**  
**DOMESTIC ROUTES**



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