



The Labor and the Demand for a New Minimum Wage in Nigeria: How Realistic is the Demand?

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Abstract: Recently the Technical Committee, the Federal Government and the Organized Labor constitution reached a consensus on how to attain industrial harmony in the Nigerian industrial relations system by agreeing on the need for a new fifty-six-thousand-naira minimum wage for the workers. In view of the above, the objective of this paper is to explore how realizable the new wage demand can be achieved by the parties. This is the first time in recent years when the government tried to engage the labor movement before fixing a new minimum wage as practiced between 1934 and 2011. Two major theses have emerged to explain the rationale behind the need for an upward review of salaries and the opposing strand. While the former sees it as a constitutional issue, the other thesis views it as an economic driven issue. Through the use of documentary sources such as books, journals, reports and online sources which we used the technique of content analysis, it was discovered that wage reviews were largely not structured to address the basic needs of the workers because they were not engaged and involved before their implementation. The major fallout of their exclusion is the frequent strike actions by workers aimed at getting government to agree to negotiate a new minimum wage and a general upward review of wages. Among the implications of the increase not addressing their basic needs occasioned by Inflation, high cost of living and lack of basic infrastructure. In view of the above findings, the paper recommend that the actors should negotiate since the current minimum wage paid is inadequate compared to the sustainable budgets for all the family income levels as well as the International Labor Organization and the United Nations and the International benchmarks. In view of the new move by the federal government, we conclude that the current new minimum wage demand by workers is realizable with adequate negotiation.

Keywords: Minimum wage & Minimum Wage Act, Labor Laws, Minimum Wage Bench mark, Poor remuneration & Welfare Services & International Labor Organization

INTRODUCTION

There is no longer news about workers under the bannered of Nigeria Labour Congress (NLC) demanded for an increase of the National Minimum Wage from the current N18,000 to N56,000 during her 2016 May Day celebration in Abuja. At the occasion, the leadership of NLC argued that the increase had become necessary due to the current harsh economic conditions in the country occasioned by the fall of oil price at the international market and the current economic recession the Nigerian economy found itself. The demand came when the National President of the NLC, Comrade Ayuba Wabba, had condemned the pension legislations some State Houses of Assembly and the National Assembly passed to pay or are paying pensions to some former governors, who are now senators and ministers. This is happening at a time that some state governors are unable to pay regular salaries to their workers. Many of these states have not paid their workers for several months.

As a show of support, the then Edo state governor increased his workers' salary from N18,000 to N25000. The Governors of Ebonyi and Cross River states equally paid their May salary on May 1. Minister of Labour and Productivity, Dr. Chris Ngige, who represented President Muhammadu Buhari at the occasion, assured the workers that the government will accord due consideration to the issues raised by the workers' union. The setting up of a Technical Committee and the institutionalization of collective bargain are some of the signs that an increment is possible.

Two major theses have emerged to explore how realistic the Labour's demand for a new minimum wage can go. Both theses have attracted divergent opinions and criticisms. The Constitution- welfarist thesis posits that wage increase is a constitutional issue as contained in Section 14 (b) of the amended 1999 Constitution (FGN,1999). Also, as a major function of government, it is the duty of government to tackle the deplorable economic situation in the country occasioned by the sharp fall in the price of crude oil at the international market and the need to improve workers' pay to enable them cushion the effect of the economic recession on them.

The thesis hinges its position on the premise that those on the bottom rungs of the civil service salary ladder are among the poorest civil servants in the world. The Expansion Country economy.com, (2016) adds currency to this debate. They are of the view that the N18,000 minimum wage is not enough to meet the basic needs of workers and their families. The perspective concludes by positing that the reality of the high cost of living in Nigeria has made an increase in the minimum wage imperative.

The second view is the pessimist thesis that argues that minimum wage is a political instrument in the hand of policy makers and politician to achieve political gains. This is because while the politicians pay themselves promptly and excessively, they always ask workers to make sacrifices because the economy is bad. This perspective also believed that the Labour unions are making unreasonable, ill-timed and unrealistic demands because of the current nature of the Nigerian economy. The thesis believed that with over twenty states in Nigeria owing backlog of salaries and pensions under the current minimum wage of N18,000, the demand is unrealistic. On the side of the Organized private sector and their inability to break even accessioned by the rising cost of doing business, such agitations will lead to job losses.

Irrespective of the side of the divide one belongs, the organized labour have been stoutly defending their proposal for an increase wage. They arrived at this conservative new wage by multiplying the amount the Ministry of Internal Affairs uses in feeding a prisoner which is N300 per meal and N900 per day multiplies by 30 days in a month. In addition, the labour union leaders also added the housing, transport and other allowances paid to workers in their computation.

As a constitutional issue, since the last minimum wage came into force in March 2011 and it was meant to be reviewed every five years, workers not wanting to sleep on their rights, decided to put forward their proposal. Furthermore, labour unions insist that despite dwindling oil prices and distributable income to the federal, state and local governments, if the President, Governors and Local Government chairpersons will re-adjust their priorities, they should be able to pay the new minimum wage. It is noteworthy that NLC/TUC is not under any illusion that government will adopt their proposal without minor adjustments. They are not unmindful that the tentative N56,000 is negotiable and that given the history of wage fixation in Nigeria and the need to start early.

It is significant to state that since Minimum Wage Act of 2011 came into effect, state governors have been kicking against it and have on several occasions threatened to re-trench workers if government will not review Nigeria' fiscal federalism. They posited that the Act was imposed on them by the Federal Government and need to discuss with their respective state workers in the spirit of true federalism.

How Realistic is this Challenge? This study seeks to discuss the prevailing minimum wage agitation in Nigeria vis-a vis the international benchmarks with a view of locating how realizable the issue is by using Nigeria as a case study. Section two reviewed literatures on minimum wage. The epochal-historical assessment in Nigeria' minimum wage fixation is compared with some selected countries' minimum wage

structure was explored in section three. Section four proposes the mechanisms that will help in addressing this issue. The final section concludes the paper.

Contextualizing Minimum Wage

In a popular parlance, the National Minimum Wage or MNW of a polity is a minimum salary that most workers are entitled to be paid. This view collaborated with George's (2012) definition of the concept as the lowest wage an employer is allowed to pay. The International Labour Organization in its reports (ILO, 1964, 1967, 1989, 1996, 2008 & 2009) viewed minimum wage as a policy and as a best practices instruments. This is why the ILO reports posited that minimum wage provides a floor to the wage structure in order to protect workers at the bottom of the wage distribution. As a best practice instrument, ILO further points out that minimum wages are nearly a universal policy instrument that applies in more than 90% of ILO member states, including Nigeria (ILO, 2009). Ethical Trade Initiative (ETI) cited in Eme (2009, Eme & Ugwu, 2009 & Eme & Okeke, 2009) defined minimum wage as a wage that allows a worker to provide for himself and his family and to buy essential medicines, send children to school and to save for the future. A poverty or non-living wage is one associated with workers skipping meals so that the workers can feed their children,

The Cain Labour Standard Act of 1938 in the USA defined minimum wage as the minimum hourly rate of compensation for labour as established by federal statute and refined by employers engaged in businesses that affect interstate commerce. The ILO 1970 General Survey of Reports relating to Convention No. 131 defined it as the rate of pay fixed either by a collective bargaining agreement or by governmental enactment as the lowest wage payable to specified categories of employees. For this Committee of experts, minimum wage fixing explained what may be understood by minimum wage.

Earlier in 1967, the ILO (1967), meeting of experts on minimum wage fixing and related problems had explained that the concept of the minimum wage contains three basic ideas. The first is that the minimum wage is the wage considered sufficient to satisfy the vital necessities of food, clothing, housing, education and recreation of the workers, taking into account the economic and cultural development of each country. The second is that minimum wage represents the lowest level of remuneration permitted, in law or fact, whatever the method of remuneration or the qualification of the worker. Third is that the minimum wage is the wage which each country has the force of law to uphold and which is enforceable under threat of penal or other appropriate sanctions. It further noted that minimum wage fixed by collective agreements made binding by public authorities is included in the above explanation.

The essence of a minimum wage system is to enable a worker to meet his or her basic needs, a legal entity and policy document and be able to enforce this legislation when it is breached.

From this view, Minimum wage in Nigeria can simply be defined as the smallest hourly wage that an employee may be paid as mandated by Federal Law (Eme & Okeke, 2009). In Nigeria, three major approaches have been used to address the issue of wage fixation. These are the initiative of government, collective bargaining and wage indexation. The former is usually the appointment of Ad hoc public panels or internal government committees and subsequent of the committee report through white paper. In other words, they are wage reviews (Eme, 2009 & Eme & Ugwu, 2011). The collective bargaining approach is used mainly in self funded agencies such as the Central Bank of Nigeria and most recently the Shonekan Committee of 2009-2010. Among the Decrees and Acts of parliament that brought Minimum Wage legislations into effect include the Wage Board and Industrial Council Act 1974 (Cap. 466) (No. 1 of 1973, L.N. 55 of 1974); National Minimum Wage Act 1981 (No. 6 of 1981), National Minimum Wage Decree No. 43 1988; National Salaries Incomes and Wages Commission Decree 1993 (No. 99 of 1993, National salaries, Incomes and wages commission (Amendment) Decree (No. 17 of 1999); National Minimum wage (Amendment) Act, 2000 (No. 1) National Minimum wage (Amendment) Act, 2003 and 2011 respectively. It is this aspect of the minimum wage legislation that generates the heated battles between labour organizations and governments.

In Nigeria, the 1981 national minimum wage Act prescribed a minimum wage of N125 per month which was officially gazette in 1981. This Act was reviewed in 1991 and the sum of N250 per month was

agreed upon. The national minimum wage Act was again revised in 2000 and an upped to N5,500 per month. In 2011, another amendment was made and the sum of N18,000 per month was reached. To give the latter a binding legal force, the Justice Alpha Belgore Committee submitted a bill on the National minimum wage amendment bill to the National Assembly on July 1st 2010, with the following recommendations:

- 1) A national minimum wage of N18,000 per month for all establishments in the public and private sectors employing 50 workers and above.
- 2) An upward review of the sanctions that would serve as a deterrent for not paying the new national minimum wage as follows: a fine not exceeding N100, 000 or imprisonment for a term not exceeding six months or both, and in the case of continuing the offence, a fine of N10, 000 for each day during which the offence continues.
- 3) A more frequent review period not exceeding 5 years to be carried out by a statutory tripartite committee that would be appointed from time to time by the President of Nigeria (Soniya and Emejo, 2010:4).

This bill was passed into law on March 15, 2011 by both chambers of the National Assembly with minor adjustments as follows:

That as from the commencement of the National Minimum Wage Act 2011, it shall be the duty of every employer to pay a wage not less than the national minimum wage of N18,000 per month to every worker under his employment. The penalty for failing to pay minimum wage is N20, 000 while the penalty for every additional day the default continues is N1000. The Federal Government of Nigeria and the organized labour later in 2011 renegotiated the new minimum wage. On August 16, 2011, the two parties signed an agreement which revised the national minimum wage to N18, 900. It is pertinent to note that there has not been a uniform application of the minimum wage by the three-tiers of government in Nigeria. Each of them has a unique salary structure for its public servants. In Enugu State, the minimum wage for both the state and local governments is N18, 500 while the Federal government pays exactly a minimum wage of N18, 900 (Soniya & Emejo, 2010:4 and Eme & Ugwu, 2011). For instance, Treasury funded establishments are paid harmonized salary structure funded from government budget. There are also treasury-funded establishments on special salary structure and self-funded agencies. Irrespective of their funding source, each of them has a unique salary structure for its public servants.

Minimum Wage History: Comparative & Nigerian Experience

According to Nwude (2013), the first minimum wage legislation was enacted by the government of New Zealand in 1894. This was closely followed by minimum wage law enacted by Victoria State of Australia in 1896. The amendment of the Act in Australia' Factories Act led to the creation of a wages board. The wages board did not set a universal minimum wage standard rather it set basic wages for six industries that were considered to be paying low wages. This law served as a model used in fashioning out the British Trade Board's Act 1909. In the USA, Massachusetts enacted the minimum wage Act in 1912. This was the earliest enactment of its kind in the history of the USA industrial relations system. Eight other states in the USA followed in 1913. It is worthy of note that even though the practice of minimum wage fixation globally is old, the duration, details and nature of the practice has varied from country to country.

According to Dolle (1999) and Metcalf (1999), the USA and France were among the nations with the longest tradition of applying a single national minimum wage. A national minimum wage was introduced in UK in April 1999. UK adopted a new minimum wage with national coverage after dismantling its system of industrial level minimum wages in the 1980s. Ireland introduced a national minimum wage in 2000. Argentina, Brazil, China and South Africa are not left out in the practice of minimum wage fixation with the intention to provide social protection to the vulnerable and non-organized categories of workers. Argentina and Brazil revitalized their minimum wage policy in the early 2000 with the intention of helping to reverse the decline in the wages of workers (Onuegbu, 2010). China regulations on minimum wage were issued in 2004 as a result of the growing concerns about the widening wage inequality. South Africa introduced

minimum wage floors in 2002 in order to support the wages of millions of low-paid workers in different economic sectors.

According to Eme (2009), in Nigeria, the history of minimum wage cannot be separated from the history of public service reforms. It dates back to the colonial era and the setting up of Hunts Commission in 1934. The agitations for better working conditions for workers have always been a matter of concern to governments. According to Eme (2010), before and after Nigeria's independence, in 1960, workers have been the sacrificial lamb of the polity. They are the lowest paid in terms of employee benefits and wages. Out of concern, subsequent regimes have always set up a panel, commission or tribunal and series of reforms since 1934 to address wage challenges. There was the Hunts commission, the 1931 Gorsuch initiative, the restructured wages/remuneration, the 1966 Elwood team, the 1973 Civil Service Review Commission which among others, streamlined the format for wages and salary scale of public workers. The latter also analyzed organization, job evaluation systems management methods of Nigerian public service.

There was also the 1988 civil service reform which recommended the elongated salary scheme whose implementation ran into hitch when junior workers ended up earning more than their superiors. Then came in 1990, the Dotun Phillips Commission, which introduced the position of making ministers both accounting officers of their respective ministries unlike the previous arrangement which made the permanent secretary the accounting officer. Then the 1993 and the 1999 civil service reforms came (Eme, 2010).

According to Eme (2009:16), the Nigerian minimum wage was last reviewed seven years ago in 2010. Then the agitation for an upward review of minimum wage issues were called to question in view of comparative wages paid in other countries. The table below captures the thesis:

Table 1: Comparison: Minimum wages Across the Globe

Country	Date of National Minimum Wage	National Currency	Old National Minimum Wage	Current National Minimum wage	Wage changes between Old and New
United States	2016	\$	1,257	1,257 \$	11.62%
United Kingdom	2016	£	1,110	1,645 \$	10.89%
Germany	2016	€	1,473	1,604 \$	0
France	2016	€	1,467	1,597 \$	0.62%
Japan	2014	¥	780	7 \$	-99.54%
Spain	2016	€	764	832 \$	1.02%
Portugal	2016	€	618	673 \$	4.95%
Greece	2016	€	684	744 \$	0
Ireland	2016	€	1,546	1,684 \$	5.78%
Afghanistan	2013	؍	5,000		
Albania	2016	Lek	22,000	175 \$	-0.82%
Armenia	2014		66,138	163 \$	39.80%
Angola	2010		9,371		
Argentina	2016	\$	6,060	466 \$	-22.38%
Australia	2015	\$	2,812	2,306 \$	17,233.00%
Azerbaijan	2013	ман	105	134 \$	10.16%
Bangladesh	2013		5,300	66 \$	78.11%
Belgium	2016	€	1,502	1,635 \$	0
Burkina Faso	2013		30,684		

Bulgaria	2016	JIB	420	234 \$	16.67%
Bahrain	2011		300	798 \$	
Burundi	2013		3,467	210 \$	14.81%
Benin	2013		31,625	225 \$	-16.58%
Bolivia	2014	\$b	1,440	693 \$	-3.39%
Brazil	2016	R\$	880		
Bahamas	2010	\$	693	100 \$	1.06%
Bhutan	2013		3,000	194 \$	4.20%
Botswana	2013	P	780	322 \$	9.98%
Belarus	2014	p.	1,841,483	1,596 \$	7.13%
Belize	2012	BZ\$	644		
Canada	2015	\$	1,851		
Democratic Republic of the Congo	2011		36,400	210 \$	14.81%
Ivory Coast	2013		60,000	225 \$	-16.58%
Chile	2016	\$	250,000	353 \$	3.30%
Cameroon	2013		28,246		
China	2013	¥	1,400	225 \$	10.28%
Colombia	2016	\$	804,363	255 \$	-9.35%
Costa Rica	2015	₡	332,655	614 \$	12.44%
Cuba	2011	₱	225		
Cyprus	2014	€	870	1,200 \$	1.75%
Czech Republic	2016	Kč	9,900	399 \$	10.43%
Dominican Republic	2014	RD\$	11,752	275 \$	54.15%
Algeria	2013		18,000	231 \$	-5.27%
Ecuador	2013	\$	318	318 \$	6.80%
Estonia	2016	€	430	468 \$	10.26%
Egypt	2013	£	700	110 \$	-7.27%
Ethiopia	2011		420		
Fiji	2012	\$	589		
Gabon	2013		150,000		
Georgia	2014		20	12 \$	-8.62%
Ghana	2013	¢	141	75 \$	-1.32%
The Gambia	2013		1,300		
Equatorial Guinea	2013		129,035		
Guatemala	2013	Q	2,392	303 \$	1.25%
Guinea-Bissau	2013		19,030		
Guyana	2013	\$	35,000		
Hong Kong	2014	\$	30	4 \$	-99.55%
Honduras	2013	L	6,532	327 \$	-1.17%
Haiti	2011		6,500		
Hungary	2016	Ft	111,000	387 \$	6.10%
Indonesia	2013	Rp	1,332,400	138 \$	9.86%

Israel	2016	₪	4,694	1,203 \$	14.31%
India	2013	₹	2,990	55 \$	-5.29%
Iran	2011	ریال	3,303,000	319 \$	14.04%
Jamaica	2013	J\$	21,667		
Jordan	2013		150		
Kenya	2012		13,471	158 \$	10.60%
Kyrgyzstan	2011	лB	690		
Cambodia	2013	៛	80		
Comoros	2013		55,000		
South Korea	2015	₩	1,166,220	1,061 \$	24,420.89%
Kuwait	2011		60	214 \$	10.87%
Kazakhstan	2013	лB	18,660	124 \$	3.45%
Laos	2013	₭	626,000		
Lebanon	2011	£	500,000	330 \$	
Sri Lanka	2009	Rs	5,888	52 \$	13.27%
Lesotho	2011		935		
Lithuania	2016	€	350	381 \$	16.67%
Luxembourg	2016	€	1,923	2,094 \$	0
Latvia	2016	€	370	403 \$	2.78%
Libya	2013		450		
Moldova	2013		1,400	116 \$	1.48%
Montenegro	2015	€	288	350 \$	0
Madagascar	2013		108,019		
Mali	2013		28,460		
Mongolia	2014	₮	192,000		
Mauritania	2011		30,000	106 \$	44.18%
Malta	2016	€	728	793 \$	1.05%
Mauritius	2013	Rs	4,493	147 \$	1.00%
Maldives	2010		3,100		
Malawi	2013		8,242		
Mexico	2015	\$	1,801	122 \$	6.83%
Malaysia	2013	RM	900	294 \$	
Mozambique	2013	MT	3,943		
Niger	2013		30,047		
Nigeria	2011	₦	18,000	116 \$	-1.32%
Nicaragua	2013	C\$	3,484	145 \$	4.94%
Netherlands	2016	€	1,508	1,642 \$	0.40%
Nepal	2013	Rs	8,000	91 \$	23.20%
New Zealand	2015	\$	2,535	1,985 \$	11.79%
Oman	2013	ريال	325	845 \$	59.49%
Panama	2013	B/.	366	366 \$	-1.93%
Peru	2014	S/.	750	268 \$	-12.74%
Papua New Guinea	2013		437		
Philippines	2014	₱	466	10 \$	-96.62%
Pakistan	2013	Rs	10,000	103 \$	13.31%

Poland	2016	zł	1,850	474 \$	5.30%
State of Palestine	2013	₪	1,450		
Paraguay	2014	Gs	1,660	0 \$	-99.91%
Romania	2016	lei	1,050	253 \$	7.20%
Serbia	2016	Дин	28,403	255 \$	-0.63%
Russia	2016	₽	7,238	99 \$	-6.73%
Rwanda	2013		2,167		
Saudi Arabia	2013	﷼	3,000	800 \$	
Solomon Islands	2010	\$	780		
Sudan	2013		425		
Slovenia	2015	€	791	960 \$	0.20%
Slovakia	2016	€	405	441 \$	6.58%
Sierra Leone	2013		25,000		
Senegal	2013		36,244		
El Salvador	2013	\$	198	198 \$	2.00%
Syria	2010	£	6,110		
Swaziland	2013		657		
Chad	2013		60,000		
Togo	2011		28,000		
Thailand	2013	฿	7,800	255 \$	1.59%
Tajikistan	2013		250		
Timor-Leste	2013	\$	115	115 \$	-1.94%
Tunisia	2012		259	173 \$	4.41%
Trinidad and Tobago	2013	TT\$	2,167	338 \$	-1.91%
Taiwan	2013	NT\$	19,047	656 \$	3.72%
Tanzania	2013		100,000		
Ukraine	2013	₴	1,218	152 \$	4.97%
Uganda	2013		6,000	2 \$	
Uruguay	2013	\$U	7,920	408 \$	10.57%
Uzbekistan	2013	л	96,105		
Venezuela	2013	Bs	2,973	693 \$	42.48%
Vietnam	2013	₫	1,150,000		
South Africa	2013	R	2,474	292 \$	0.97%
Zambia	2013		700,000		

Source: Expansion Country economy.com (2016). National Minimum Wage.

According to Expansion Country economy.com (2016) table, countries' minimum wage across the world is usually a neryv issue because it, to some extent, is a determining factor of the living standard of a country. Nigeria is no exception. From the table above, we can posit that the wages of other countries on the continent were found to be higher than that of their Nigerian counterparts. The issue has been a thorny one between Nigeria's labour unions, governments and politicians at different times over the decades of Nigeria's existence as a nation. On February 23, 2011, for instance, the Senate of the Federal Republic of Nigeria approved Eighteen Thousand Naira (N18, 000) as minimum wage for the Nigerian worker. The bill which was given a speedy passage by the Upper Chamber increased the minimum wage from N7, 500 to N18, 000 for federal and state workers. Today, the federal government of Nigeria is honoring her part of the deal, but not

so with other stakeholders such as some state governments and private enterprises among whom, paying that minimum remains an illusion. Honoring her promise to pay such an amount have not been so easy. To appreciate the difficulty, the federal government facing to implement the N18, 000 minimum wage salary proposals, it is germane to understand that the federal government's hands are so full that sometimes it requires borrowing to honor her commitment. This is because about 75 percent of Nigeria's budget is voted for recurrent expenditure. In effect, that accretion of wages has put Nigeria at the edge of the development cliff because capital projects, which are critical for economic development, are lagging behind. This action will discourage trade and investment opportunities.

A school of thought expounded by economists such as Fapohunda & Atiku, Lawal (2012), Nwude (2013) and Dolle (1999) posited that higher wages reduce unemployment in an economy. For instance, when people earn higher, they can afford to employ other people to do those personal jobs they would not otherwise have afforded. Also, they would be able to garner funds for investment, for which they would need labour to manage, thus expanding the economy and reducing unemployment. Higher wages, it is argued, also curbs the cases of corruption; because when a person earns enough to care for his and his family's basic needs, the inducement for corruption minimizes.

According to World Development Report (World Bank, 1995) on labour markets, minimum wages may help protect the most poverty-stricken workers in Industrial countries, but they clearly do not in developing nation. But note, Nigeria is not an industrial country. The minimum wages given refer to a gross amount, i.e. before deduction of taxes and social security contributions, which vary from one country to another. Also excluded from calculations are regulated paid days off, such as public holidays, sick pay and annual leave.

As *Newswatch Times* (2016) has documented, Germany, India, Norway, Singapore, Italy, Sweden, Denmark and Finland are not listed among the forty biggest economies in the world. For Germany, except for construction workers, electrical workers, janitors, roofers, painters, and post masters, minimum wage is often set by collective bargaining agreements in other sectors of the economy and enforceable by law. In India, it varies according to the state and to the sector of industry. The running wages for unskilled labour ranges from about \$3 per day to \$6 per day depending on the location. In Norway, wages fall within a national scale negotiated by labour, employers, and local governments. Singapore does not have a set minimum wage. Italy's minimum wage is arrived at through the process of collective bargaining agreements on a sector-by-sector basis.

Sweden's minimum wage is not definite. It is set by annual collective bargaining contracts. Denmark's also is not definite. Instead, it is negotiated between unions and employer associations; the average minimum wage for all private and public sector collective bargaining agreements is currently 109 kroner (\$19) per hour. And in Finland, the law requires all employers, including non-unionized ones, to pay minimum wages agreed to based on collective bargaining agreements; almost all workers are covered under such arrangements.

Of the 32 economies under the spotlight, Venezuela occupies the 20th position; and Nigeria occupies the 29th, leaving nine positions to notch up to for a catch-up with Venezuela in the 20th. The positive outlook of the graph is that minimum wage, though important for economic growth and development, is not necessarily a pre-condition to be in that league of elite economies (Eme, 2010).

China and Mexico have lower minimum wages than Nigeria. As part of further reforming the pay regime on the public sector, the Obasanjo's Government in 2004 and 2005 respectively set up two committees, namely: the Wages, Salaries and Emolument Relativity Panel chaired by Prof. E.C. Edozie, and the Presidential Committee on the Consolidation of Emoluments in the Public Sector, chaired by Chief Ernest Shonekan (a Former Head of State). In the process of performing its assignment, the Relativity Panel found the existence of multiple salary structures within the public sector, prevalence of un-monetized system and implementation of unapproved allowance by many public sector agencies.

On the strength of the Edozie Panel Baseline Technical Report, the Presidential Committee on Consolidation of Emoluments in the Public Sector headed by Chief Ernest-Shonekan was set up. It examined

the current salaries and allowances and consolidated them into a single personal emolument. The resulting White Paper was considered and approved by the Federal Executive Council. One of major recommendations contained in the White Paper was the increase of salaries by 15% with effect from 1st January 2007, and with further 10% increase each year for the next 5 years for Ministries, Departments and Agencies (MDAs) that have reformed. Besides the consolidation of fringe benefits and allowances, a maximum of four non-regular allowances which should reflect job peculiarities and performance based is being instituted. Government has approved that there should be job-specific allowances, like the call Duty allowance, Risk-related allowance, Re-location allowance and Scarce skills allowance.

In addition, the 17 Grade Levels will be reduced to 14 by eliminating Grade Levels 01, 02 and 11 which have become dormant and irrelevant due to outsourcing as a result of the introduction of the monetization policy. Self-financing agencies will henceforth be bench-marked with the private sector competitors to ascertain the level of their efficiency [Eme, 2010 and Soniyi & Emejo, 2010]. It is such a glaring imbalance like this that made the NLC to ask the government for an upward review of the Nigerian worker's pay from ~~N~~5,500 to ~~N~~52,200 so that an average worker can afford to pay for more basic services.

Such agitation led to the constitution of a committee chaired by Justice S.M.A. Belgore. In 2010, at a May Day rally, former President Goodluck Jonathan was applauded when he said government would pay the new minimum wage. His critics posited that it was a ploy to counter the proposed strike Labour Unions had slated for May 3, 2010. It should be noted that it was a Federal Government tri-partite committee that recommended the minimum wage of N18, 000 in 2009. Justice S.M.A. Belgore headed the Committee. Its membership was from representatives of Federal, State governments, organized private sector, small and medium scale enterprises and trade unions. When the report was presented to government on July 1, 2010, the committee exhibited further commitment to the assignment by including a draft new national minimum wage bill that government could send to the National Assembly.

Labour matters are on the Federal Exclusive Legislative area. According to the 1999 Constitution (FGN,1999), Part 1 of the Exclusive Legislative List of the 1999 Constitution, item 34 states, labour, including trade unions, industrial relations, conditions, safety and welfare of labour, industrial disputes; prescribing a national minimum wage for the Federation or any part thereof; and industrial arbitration under the authority of the Federal Government. State Governors, beneficiaries of the favorable provisions of the constitution, do not want to implement the minimum wage. And, to give bite to their work, the Belgore committee recommended that the extant National Minimum Wage Acts such as 1981 and its subsequent amended versions of 1990 and 2000 be repealed and replaced with a new Act to be enacted.

The Federal Government is said to have offered its own workers N17, 000; state governments on their part; have been most intransigent by positing that they are insolvent. This thesis explains the reluctance on the part of the Federal Government to forward the necessary instrument to the Senate for enactment into law as recommended by the Belgore committee. Federalizing workers' pay to reflect the capacity and ability of states to pay seems, on the surface, a sound thesis, but then, why would governors not apply the template to set their own wages and those of their legislators, including all other political appointees across the board? Why is it that the only time state government insists on "federalizing" the pay of their personnel is when the need for decent and living wages for their work force crops up?

Considering the cost of living generally and double-digits inflation, the recommendation the committee made would have no negative effect on state treasuries not considering the huge pay these political appointees collect monthly (Eme, 2010).

The matter of pay-parity between all classes of workers is one that needs to be addressed urgently in today's Nigeria. The idea of parity means fixing a ratio between what the least paid workers get and what the executive and legislative bodies take home. That way, an in-built structure of equity is assured across all tiers. Allowing the political or technocratic hirelings to carry the pot, while those who toil to keep the system

going are served crumbs, is as immoral as it is unjust. For the records, the last minimum wage workers are now enjoying was not imposed by the government.

It is important to understand how the issue for a new national minimum wage came about. According to News Watch Times (2016), the NLC President during the 2016 May Day celebration called a press conference to inform the press-corps that the last review of the national minimum wage was done in 2011 and that the setting up of a tripartite committee to review the newly proposed national minimum wage was long overdue. He urged the government to set up the committee to review the minimum wage, with their proposal in mind. According to him, the representatives of the unions and the government could only fashion out the negotiation process at a roundtable. He pointed out that the proposed minimum wage would ensure that no worker earned below what could sustain him or her in a month.

Labor's call for an upward review of their salary hinged its demands on the grounds that a minimum wage review is long overdue as stipulated in the 2011 Act. They also posited that as a result of the steep rises in cost of living such as the costs of electricity, petroleum products, food items and the general inflationary trends in the economy in the past one year, there is the need for wage negotiation. These demands are coming at a time the 36 governors just visited President Muhammadu Buhari in Abuja asking for another lifeline bailout, the second within ten months. It will be recalled that President Buhari yielded to pressure from the governors and approved a N804.7 billion bailouts, which was released by the Central Bank of Nigeria (CBN) in September 2015. But in November 2015, barely two months after the bailout, the governors, through the Chairman of the Nigerian Governors' Forum, Alhaji Abdulaziz Yari of Zamfara State, announced that with 24 states unable to pay salaries, they could no longer pay even the N18,000 minimum wage. The Federal Government and the Nigeria Labour Congress in their effort to maintain industrial peace decided to set up a 15-man committee to work out palliative measures and fashion out a new minimum wage for Nigerian workers. The new wage will help to cushion the effects of the increase in the pump price of petrol (Vanguard Editorial, 2016).

The Demand for a New Minimum Wage & the Way Forward

There are labour relations problems in Nigeria. Despite the encouraging growth of revenue generation in the past seventeen years of democracy, increasing problems were faced in the last three years, with regard to the falling of oil prices in the international market and the current economic crisis it has generated. The number of states that are insolvent to pay their workers is increasing. The number of bail-out to the states by the federal government are equally on the rise. The cost of living is equally on the rise. The personnel problems identified have given rise to agitations by the Organized labor calling for an upward review of the current minimum wage been paid in Nigeria. Fashoyin (1980) in his description of labour-management relation in Nigeria puts it like this:

A cursory of review of labour-management relation in contemporary Nigeria will no doubt lead to the conclusion that a significant proportion of employers and workers still reject the idea that, on the one hand, the two sides are engaged in partnership and, on the other, that cooperation on both sides can bring about increased productivity, better wages and living conditions and industrial peace in the country (Fashoyin, 1980:53).

A critical look of Fashoyin's description of the nature of labour-management relations would reveal that labour-management relations are more or less inter-personal. This is because it includes, deliberation, argument and haggling between employees and employers. As a result, some features of labour-management relations are: unionism, trade disputes, collective bargaining, dispute settlements and communication between employees and employers or their representatives.

The individual employee possesses limited power when compared to his employer. It is obvious that the individual employees may decide to communicate their goals, feelings, complaints and desires to management for appropriate action. It is normal that management may not listen to them. Therefore, unions provide the appropriate mechanism through which employees goals can be negotiated with management. With this description of goals and objectives of union, employees will be obliged to join unions. This is because union rights involve; to organize workers, bargaining power to negotiate favorable terms of agreement and protect the rights of workers.

However, management's prerogatives and union's right raise some fundamental questions of common goals and objectives. Both believe in the benefits of a smoothly functioning system of industrial relations and contract administration. Also, both recognized the high personal stakes in having the establishment remaining viable. To achieve this objective requires a high level of management expertise. Labour movement in Nigeria has been and is willing to make reasonable concessions such as increased pay cap, pay reduction or wage deferrals to assist a state and economy that is in recession, but not indefinitely. Eventually, the government must do its job effectively. This is why it is commendable that the federal government constituted a technical committee involving all industrial relations actors when this agitation came up. Also, the committee recently submitted its report. This proactive measure by the government is a way of achieving a new minimum wage structure. Today both actors can beat their chest that they now share a common goal and objective. Their action has equally doused the notion that the government has the right to hire and fire employees and to determine its wages and benefits unilaterally.

Conclusion

Like in all developing countries, there are bound to be some obstacles and problems. From the results of the assumption explored in this case study, we have found out that labour relations problems exist in Nigeria. The first and second main conclusions from the study are that unlike the previous minimum wage increases in Nigeria, the current agitation is anchored on early preparation of setting up of a technical committee and the quick submission of their report to the presidency. Third and arising from the foregoing, all the major actors in industrial relations were involved in all her negotiation for a new minimum wage and it is evident that both parties share the same goal and objective which are central to industrial peace. Third, all actors in the industrial relations system in Nigeria agreed that the initial problem of poor communication in the polity that characterized the sector has improved. Both actors agreed that as a result of high rising in cost of living and inflation, there is need for an increase. But the increase should be realistic.

Finally, it is significant that since the last agreed minimum wage in 2011, state governors have been kicking against it and have on several occasions threatened to re-trench workers if Nigeria's current fiscal federalism is not addressed. Employees agree that the wages and benefits were inadequate as compared to the other sectors of the economy.

Consequent upon the findings and conclusions of this case study, it is, therefore, recommended that formal and informal communication should constitute building blocks for effective joint labour-management meetings. There is the need to enforce the enacted minimum wage law establishing a proper grievance procedure in the polity. If the law says five years for re-negotiation, it should be carried out without waiting for an industrial dispute to be declared before it is negotiated. This procedure would restore faith and confidence in the workers.

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