

# IMPLEMENTATION OF THE NEW NATIONAL MINIMUM WAGE AND INDUSTRIAL CONFLICTS IN THE PUBLIC SECTOR IN NIGERIA

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## **Abstract**

*Implementation of National Minimum Wage has always been a problem in Nigeria mainly because all the stakeholders eventually do not remain on the same page when it comes to payment. Implementation of the new National Minimum Wage of ₦30,000 signed into law on the 18<sup>th</sup> of April, 2019 is not an exception. Although the Federal Government has commenced the implementation and has also paid the arrears of both the Minimum Wage as well as the consequential adjustments for other categories of federal workers except for the arrears of tertiary institutions workers, many state governments and private sector organizations are yet to commence the implementation. This is a situation that always degenerates to industrial conflict between the government and labour unions representing workers who are their members. We are now talking about the new Minimum Wage but many states are still owing workers arrears of both the previous Minimum Wage of ₦18,000 and the consequential adjustments up to now. It is true that the Nigerian Governors Forum (NGF) has assured that all the 36 states of the Federation will implement it and some have actually started implementing it, some others are still dragging their legs. This has actually led to tension building up in those states as organized labour warms up for a showdown with the State Governments concerned. Organized labour has made it clear that so long as the new National Minimum Wage has been signed into law, every state government must pay it. This paper therefore examines the level of implementation of the new National Minimum Wage in the public sector in Nigeria by the different levels of government. The theoretical thrust of the paper is the Marxist Political Economy (MPE) approach. The paper contends that the industrial conflicts that have always accompanied its implementation will continue to rear up their heads because some state governments as usual would want to play politics with it even though they were duly represented in the tripartite National Minimum Wage Committee that negotiated it before it was signed into law. It is recommended that each time a new minimum wage is fixed by the government; it should as well be religiously implemented in order to enhance industrial harmony.*

**Key Words:** *Workers, labour unions, government, minimum wage, industrial conflicts.*

## **Introduction**

The new National Minimum Wage Act (2019) was finally signed into law on April 18<sup>th</sup>, 2019 by President Muhammadu Buhari after protracted negotiations between government and organized labour unions. Organized labour had mounted immense pressure on government to review salaries and wages of workers in Nigeria. In 2018, it had called workers in the public sector out on nation-wide strike action to put pressure on government to review salaries of workers after seven years without any form of action on the part of government in that direction (Elusoji, 2019).

After the new National Minimum Wage Act (2019) was signed into law, attention shifted to implementation including working out the consequential adjustments for other categories of workers from level 7 and above in the public sector. Those rounds of negotiations were concluded on 18<sup>th</sup> October, 2019 after agreement was reached between government and organized labour. In the process of the negotiations, a template for implementation was worked out which was to also help the different states to negotiate with labour unions. The Federal Government had already commenced implementation and had also paid the arrears up to April, 2019 when it was signed into law, except the arrears of the minimum wage for the different categories of workers in the federal tertiary institutions across the country (Ahiuma-Young, 2020).

Some State Governments have also started paying while some others are still in the process of negotiation with the State branches of the labour unions. As is usually a tradition in Nigeria, implementation of the National Minimum Wage comes with a lot of controversies because the negotiation does not always go on smoothly, the government must come in with her antics geared towards shortchanging the workers. As the national economy is heading into another recession as a result the crash of global oil price on account of the global pandemic caused by COVID 19 and of course the price war between the leading oil producing nations, some State Governors will have new excuses for not implementing the minimum wage thereby instigating industrial unrest in their states.

This is exactly the point Afuba (2020) made reference to when he stated that, as far back as one can remember, the issue of National Minimum Wage has been problematic both in comprehension and implementation. From the inception to the present N30,000 minimum wage, there has been no shortage of disputes and industrial unrest. It is common knowledge that employers of labour outside of the organized private sector rarely pay the minimum wage to their workers. Information too is scarce on any prosecution, let alone conviction, arising from non-compliance on minimum wage provisions (Afuba, 2020). The result is that at the end of the day, the minimum wage content is effectively a demand to be borne almost exclusively by the three tiers of government. Nigeria's labour history shows a regular pattern of contentious implementation of new wage adjustments at the states in

contrast with the situation at the federal level. Observers see the huge disparity between the income of the Federal Government on one hand and those of the 36 states on the other as a source of seasonal industrial unrest in the states. With the lion's share of 52 per cent of federation income firmly in its kitty, the Federal Government has no problem paying higher wages approved for workers (Afuba, 2020).

Implementation of the 2019 minimum wage package of N30,000 has continued to generate workers discontent in the states. The labour unions have expressed dissatisfaction with the level of compliance of most state governments and issued ultimatum for full compliance or strike action to the States concerned. Investigations revealed that the state chapters of organized labour are demanding the same adjustment rates granted to federal workers. This agitation is supposedly justified on the ground that labour is on the exclusive legislative list and there are no separate minimum wage laws for states (Afuba, 2020; Ahiuma-Young, 2020). In the same vein, the grade level concept upon which remuneration is graded is definitive and applies to all government workers. For instance, grade level 08 – 10 federal workers got N16,000 pay increase whereas many states added between N4,000 and N5,000 for the same category of workers. The States labour unions have every right to press for better deal for workers. They are in order in demanding from the state governments' explanation on how they arrived at their adjustment figures. (Afuba, 2020; Ahiuma-Young, 2020).

Accordingly, any agreement signed with the Federal Government that does not create the capacity for states' implementation is only a half executed project. It is in the interest of labour for the states to be empowered and financially strong. Except this is done, labour unrest in the states will continue for some time to come. Organized labour should not just be concerned but should be in the forefront of resolving these two issues. The first is the oddity of having a central labour law that applies to all when states should have their own labour laws. The concurrent right of states to economic jurisdiction ought to be restored without further delay. Second, the current national revenue sharing formula is intolerable. It is a shame that this product of military unitarism is still in operation 21 years into the Fourth Republic. The formula is an impediment to development and industrial peace. The repeal of these two backward legislations is one area labour must deploy its activism and it is not a matter for tomorrow, the time to mobilize and pile pressure on the National Assembly is now. States are creaking under the huge economic and social burdens the present system has placed on them. No other body is better placed to drive this change process and no other body will benefit more than Nigeria's organized labour (Afuba, 2020).

This paper therefore examines the level of implementation of the new National Minimum Wage across the federation especially in the states where the reluctance of some State

Governors to pay the minimum wage generates industrial conflict. What is happening is not new because even when the National Minimum Wage was N18,000, many State Governors were not disposed to paying the money to workers. This explains why Zamfara State never paid the minimum wage while up to now many states still owe workers arrears of the previous minimum wage. State Governments have always argued that in a federation, the constituent units should be allowed to determine wages of their workers based on their peculiar circumstances rather than the Federal Government doing it for them (Elusoji, 2019).

It is simply a class thing because the people that are privileged to find themselves in the corridors will continue to exploit and suppress the working class who have nothing except their labour power to sell for paltry wages. There is no state in Nigeria that cannot pay the new National Minimum Wage but the Governors must first of all cut down their expenses and waste of resources which has become a tradition amongst them.

### **Clarification of Concepts**

**Minimum Wage:** Minimum wage refers to the minimum amount of remuneration that an employer is required to pay to wage earners for the work performed during a given period which cannot be reduced by collective agreement or an individual contract. Minimum wage can be set by statute, decision of a competent authority, a wage board, a wage council or commission or by industrial or labour courts or tribunals. Minimum wage can also be set by setting the force of law to provisions of collective agreement (ILO, 1970).

The purpose of minimum wage is to protect workers against unduly low pay. They help to ensure a just and equitable share of the fruits of progress to all who are employed and in need of such protection. Minimum wage can also be one element of a policy to overcome poverty and reduce inequality including those between men and women by promoting the right to equal remuneration for work of equal value (ILO, 1970).

According to Rani, Belser and Ranjbar (2013), minimum wage can be a powerful tool for supporting decent work goals and can be a crucial component to the social protection floors and poverty alleviation efforts. The effectiveness of minimum wages depends on three aspects; first, on the legal coverage of minimum wage systems; second, the level at which minimum wages are set and third, the ability to ensure compliance with legal minimum wage provisions so as to ensure the goal of improving incomes and reducing inequality (ILO, 1970).

Fapohunda, Atiku, and Lawal (2018) stated that minimum wage is important in addressing the right to human dignity at the workplace. It is instructive to note however that although the practice of National Minimum Wage is not new but the duration, details and nature

vary from country to country. Minimum wages constitute a level which may not be undercut and whose application is guaranteed by law. It excludes certain bonuses or benefits and it is payable in cash or kind, directly or indirectly by the employer to the worker for work performed by the latter. In addition, it often does not apply to certain types of workers, for instance, those working less than a certain number of hours or to certain activities (Fapohunda, Atiku, & Lawal, 2018).

In Nigeria, the National Minimum Wage is applied to the lowest level of workers both in the public and private sectors of the economy. In the public sector it is applied to workers between Grade Levels 1 – 6, but each time there is a new National Minimum Wage, the other categories of workers receive consequential adjustments to their wages.

**Industrial Conflict:** Industrial conflict occurs when employees express their dissatisfaction with management over the current state of the management – employee relationship. The causes of such dissatisfaction are typically matters related to regular wage payment, wage increase or remunerations according to terms of the employment contract. The term industrial conflict indeed denotes the clash of interests and resulting disputes of varying intensity between individuals, groups and organizations in the industrial/labour system. The relationship between the owners/managers and the workers/employees is frequently one of conflict (Ogunbameru & Oribabor, 2000).

Industrial conflict has been a characteristic of industrial societies since the industrial revolution era. Conflict is an inevitable part of organizational life, since the goals of different stakeholders in an organization often differ and are incompatible. While industrial conflict is bound to exist, its prevalence and reoccurrence point to unhealthy relationship between the key actors in an industrial setting (Ogunbameru & Oribabor, 2000; Wokoma, 2011).

The human society is full of conflicts which arise as a result of disagreement between individuals, parties, groups and classes. In industrial societies, industrial conflicts arise as a result of the inability of parties in an employment relationship (employers represented by management and employees represented by their unions) to reach agreement on any issue pertaining to the employment relationship (Fajana, 2000; Wokoma, 2011). Industrial conflict could also be seen as breakdown of cordial relationship between labour and management. It is thus, the result of unpalatable, unbalanced and adversarial relationship between and amongst parties or actors in industrial relations. Industrial conflict is the expression of not-so-good and antagonistic relationship between and amongst the actors in industrial relations (Wokoma, 2011).

Most conflicts between management and workers often start as mere grievances and when they are not properly handled, they tend to lead to problematic situations in the workplace that manifest in various forms including; strike actions, high labour turnover, low morale, absenteeism, decreased job satisfaction, low productivity and a host of other effects that are detrimental to work organizations. The high level of diversity in organization has made conflict in the workplace inevitable (Asamu, Abiola, Arisukwu & Rasak, 2019). In Nigeria, industrial conflict manifests itself mainly in the form of strike actions. This is because that is the only language employers especially the government understands. Government never makes enough efforts to live up to her responsibilities and is always reminded of her responsibilities only when a trade union has called out her members on strike action. So, conventionally in Nigeria today strike action is the only instrument in the hands of trade unions representing different categories of employees in drawing the attention of government to their demands. In other words, government only shows interest when workers have gone on strike which is an aberration.

**Public Sector:** The public sector refers to that part of the economy that comprises of both public services and public enterprises. In other words, it is the section of the economy that is owned and operated by the government, not private businesses or individuals. Organizations that are not part of the public sector are either a part of the private or voluntary informal sector.

The public sector of an economy is the sector that provides a range of government services, including infrastructure, public transportation, public education, health care, police and military services. Although, the public sector varies among countries depending on the legislation that governs the state-owned organizations, generally it focuses on providing services that can benefit the entire society rather than just those who are using the service. Especially, in low-income countries with underdeveloped economies, the state sector plays a critical role in the delivery of public services and particularly health. This is the difference between the public and private sector.

In general terms, the public sector consists of governments and all publicly controlled or publicly funded agencies, enterprises and other entities that deliver public programs, goods or services. It is not however, always clear whether any particular organization should be included under that umbrella. Therefore, it is necessary to identify specific criteria to help define the boundaries (Dude & Danescu, 2011).

The concept of public sector is broader than simply that of core government and may overlap with the not-for-profit or private sectors. The public sector consists of an expanding ring of organizations with core government at the center, followed by agencies and public enterprises. Around this ring is a gray zone consisting of publicly funded

contractors and publicly owned businesses which may be, but for the most part are not part of the public sector (Dube & Danescu, 2011).

Public sector organizations may exist at any of four levels, namely; international (multi-state entities or partnerships), national (an independent state), regional (a province/state within a national state), local (municipal-level body such as a city or county). At any of these levels, the public sector generally consists of at least three types of organizations. Core government consists of a governing body with defined territorial authority. Core governments include all departments, ministries or branches of the government that are integral parts of the structure and are accountable to and report directly to the central authority – the legislature, council, cabinet or executive head (Dube & Danescu, 2011).

Agencies consist of public organizations that are clearly a part of the government and deliver public programs, goods or services, but that exist as separate organizations in their own rights, possibly as legal entities and operate with a partial degree of operational independence. They often but not necessarily is headed by a Board of Directors, Commission or other appointed body (Dube & Danescu, 2011). Public enterprises are agencies that deliver public programs, goods or services but operate independently of government and often have their own sources of revenue in addition to direct public funding. They may also compete in private markets and may make profits. However, in most cases the government is the major shareholder and these enterprises partly follow the acts and regulations that govern the core government (Dube & Danescu, 2011).

Outside this clear public sector area is a gray zone or boundary zone with two types of organizations that might or might not be part of the public sector. State businesses are government owned and controlled businesses that sell goods or services for profit in the private market. Although, they do not deliver what would be considered public programs, goods or services, they might be considered part of public sector (Dube & Danescu, 2011). Public contractors on the other hand are legally independent entities outside government that receive public funding, under contract or agreement to deliver public programs, goods or services as their primary business. Due primarily to their limited public control, these organizations usually would be considered as not for-profit or private sector entities (Dube & Danescu, 2011).

### **Theoretical Framework**

The theoretical thrust of this paper is the Marxist Political Economy (MPE) which is essentially a view of society as a product of conflicts rooted mainly in the class inequalities and exploitative relationships between the powerful rich and the powerless poor (Anikpo, 1996). Marxist Political Economy denotes a range of political economy perspectives that are broadly connected to and in the tradition of the writings and insights of Karl Marx

(1818-1883). Although this research tradition is very diverse and heterogeneous, it is nevertheless possible to identify some common key tenets. Generally, Marxist Political Economy comprises an integrative analysis of the economy, society and politics. These three fields are not considered as isolated but as interdependent structures that evolved historically. The analysis of class struggle, involving the exploitation of labour by capital within the capitalist mode of production, is fundamental to the understanding of dynamics within this analysis (Dimmelmeier, Purckhauer, & Shah, 2016).

From this perspective, capital and labour represent two antagonistic classes. The former is primarily characterized by ownership of the means of production while the latter comprises free wage labourers in a double sense. They are free from control over the means of production and free – compared with the feudal system – to sell their labour power. Capital is central to this and is primarily organized to ensure the profitability of invested money (Dimmelmeier, Purckhauer, & Shah, 2016).

An integrative economic analysis in this context involves moving beyond a sole focus on the functioning of the economy. Thus, under capitalist conditions, labour is not only exploited but also faces alienation. This means that wage labourers are not the directors of their own work. Instead, they are employed in the capitalist mode of production, performing specialized tasks in commodity production, without owning the products (Dimmelmeier, Purckhauer & Shah, 2016).

Particular emphasis is given to the analysis of class struggles and the different forms of exploitation of labour power as well as to contradictions and crisis. Thus, the economy is not conceived as a neutral platform of exchange and cooperation but as historical and political constitution primarily characterized by asymmetric power relations, ideology and social conflicts. To understand the contemporary world economy, proponents of MPE claim that Marx's core analysis of the capitalist mode of production in the eighteenth and nineteenth century remains a useful starting point. It remains a highly relevant and intellectually sound method of analysis (Anikpo, 1996; Howard & King, 2014; Harvey, 2014; Dimmelmeier, Purckhauer, & Shah, 2016).

It is absolutely necessary to point out here that certain theoretical perspectives tend to be more suited to the analysis or interpretation of certain phenomena. The Marxist Political Economy offers the most penetrating insight into the kind of relationship that exists between the powers that be and the working class people in Nigeria. The relationship is essentially conflictual as a result of the exploitative tendencies of successive governments. In Nigeria, the desperation displayed by politicians during elections is mainly because they do realize that declaring them winners affords them easy access to the commonwealth and certainly not as a result of hunger to render service to the people. This explains why



workers must always fight with the government to remind it of its responsibilities to the working class people.

The incessant industrial conflicts that arise between workers' unions and government are mainly because it is never interested in addressing the welfare of workers. One cannot expect anything better in a clime where top government officials and politicians live like 'Hollywood Stars' and run the institutions where they preside like private estates. State Governors run their state like private property and fiefdoms. This largely explains why public sector workers in Nigeria must always fight with the Government to get what is due to them.

#### **Brief History of National Minimum Wage in Nigeria**

The history of minimum wage fixing or determination could be traced to the nineteenth century in New Zealand and Australia. The minimum wage was first introduced in these countries as one of the ways to prevent and settle industrial 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 could be made binding on all workers in the industry in the district where the dispute has taken place. It was from this experience that the system of fixing wages through arbitration awards spread to a number of Australian jurisdictions (Starr, 1981; Onyeche & Edet, 2017; Shuaib, 2018).

According to Onyeche and Edet (2017), the International Labour Organization in a survey report in 1970 submitted that it was from New Zealand and Australia that other countries adopted that of minimum wage fixing as a measure of preventing unduly low wages of certain categories of workers which were considered vulnerable to abuse. According to the report, minimum wage fixing infiltrated into continental Europe at about the beginning of the twentieth century with France (1915), Norway (1918), Austria (1918), Germany (1923), Spain (1926), and Belgium (1938) adopting the system respectively (Onyeche & Edet, 2017; Fapohunda, Atiku & Lawal, 2012).

The ILO (1970) survey report pointed out that it was during the 1940s and 1950s that effective laws and a number of minimum wage fixing regulations were implemented on a significant scale in most countries of the world. During the colonial era, the system of minimum wage fixing was extended to the colonies. In the British colonies, for instance, the report also observed that the minimum wage regulations followed, for the most part, the pattern of the Trade Board Act of 1918 and the Wage Council Act of 1945 of the United Kingdom (Onyeche & Edet, 2017; Shuaib, 2018; Fapohunda, Atiku, & Lawal, 2012). After independence, most former colonies continued with system of minimum wage fixing through legislation rather than by collective bargaining. It is therefore not surprising that

up to the present time, minimum wage determination is usually established through legislative authorities in some countries of the world including Nigeria (Onyeche & Edet, 2017).

The history of minimum wage in Nigeria is inseparable from the history of public service wage negotiations, determination and increments and dates back to the setting up of Hunts Commission in 1934. Between 1934 and 2008, over 31 Commissions and Committees were set up at various times to carry out either holistic or partial review of salaries and wages in the public sector in Nigeria. The setting up of the Commissions or Committees were in apparent response to the precarious situation of the workers because their take home pay could no longer ensure their survival together with their family members (Ochei, 2012; Fapohunda, Atiku, & Lawal, 2012; Eme & Ogbechie, 2017; Shuaib, 2018).

Successive governments in Nigeria prefer the use of Wage Commissions and Committees instead of collective bargaining in fixing wages of workers especially in the public sector simply because they deliberately do not want to negotiate with workers through their unions. Use of wage commissions does not give workers' unions the opportunity to make inputs in the wage determination process because workers are not usually represented in the commissions. This explains why the recommendations of these commissions are always greeted with widespread protests and agitations by the workers and their unions. Onyeche and Edet (2017) corroborated this line of argument when they stated that the principle of collective bargaining appears to have limited application in the actual wage determination process simply because collective bargaining is the crucial tool of wage negotiation involving a democratic approach towards conflicting issues.

It has however been pointed out that whereas the Federal Government accepts the principle of collective bargaining for determining productivity and income, but often resorts to statutory fixing of minimum wage. In fact, by failing to fix the wages of its employees through negotiation with the concerned unions representing their members, the government more often than not had precluded the operation of effective collective bargaining from Nigerian industrial relations system (Ochei, 2012; Nwude, 2013; Onyeche & Edet, 2017). It has also been observed that the level of consultation of government with the employers and workers' unions in formulating income policy is at the lowest level it can be or even non-existent. In passing the minimum wage Bill into Law by the Federal Government for instance, not all employers both in the public and private sectors of the economy are carried along (Onyeche & Edet, 2017).

This explains why sometimes we see employers and even state Governors claiming that their state has no money to pay. This situation has often led to industrial unrest. Government hardly on its own embark on the review of its employees' salaries and wages

based on the prevailing economic conditions but only swings into action when workers issue genuine threats of industrial action. Ordinarily, workers' salaries and wages are supposed to be reviewed at regular intervals unless there is a cogent reason against that, for instance, during periods of economic recession, but even at that, there has to be healthy communication between government and unions on that.

At this point it is necessary to outline the various Wage Commissions and Committees set up by Government at different times and periods from the colonial period up to the present time. According to Onuegbu (2010), the Wage Commissions are as follows;

1. Hunts Commission – 1934
2. Bridges Commission of Enquiry – 1941
3. Tudor Davies Commission - 1945
4. Harragin Commission - 1946
5. Miller Commission – 1947
6. Hansbury – Gorsuch Commission – 1954/1955
7. News Commission (the Elwood Grading Team) – 1956
8. Mbanefo Commission – 1959
9. Morgan Commission – 1963
10. Elwood Commission – 1966
11. Adebo Commission – 1970/1971
12. Udoji Commission – 1972
13. The Cookey Commission – 1980/1981
14. Dotun Philips Panel – 1985
15. The Fatai Williams Commission – 1990
16. The Ayida Panel Review – 1994
17. The Philip Asiodu Committee – 1998/1999
18. Ernest Shonekan Committee – 2000
19. Justice Alfa Belgore Committee – 2009/2010

The process of determining the new National Minimum wage of N30,000 was a complete departure from what was previously obtainable over the years in the sense that the principle of collective bargaining was applied. According to Houeland (2018), it was based on a compromise agreement between workers represented by their unions, employers both in the public and private sectors and the Government. Such tripartite negotiations are a sign of democracy at work founded on the International Labour Organization's (ILO) convention on the right to collective bargaining to which Nigeria is a signatory.

After a tortuous road through the negotiations, the committee arrived at N30,000 minimum wage for the least paid workers with the expectation that the consequential adjustments for the other categories of workers would be worked out in due course. The National Assembly

eventually passed the new National Minimum Wage Bill which was signed into law on the 18<sup>th</sup> of April, 2019 and known as the National Minimum Wage Act 2019 replacing the National Minimum Wage Act, 2011. The battle ground now shifted to implementation of the new National Minimum Wage.

### **Implementation of the New National Minimum Wage and Industrial Conflicts in the Public Sector in Nigeria**

It has been a windy route for the new minimum wage, which was signed into law by President Muhammadu Buhari on April 18, 2019. In 2011, when the N18,000 national wage became effective, the organized labour had hoped that by 2016, a new wage structure would have been instituted going by the tenets of the 2015 wage law. The 2011 minimum wage had specified a five-year review, now turned into an eight-year period. While the minimum wage covers all workers that are in paid employment in the country, civil service requires a slightly more than a national minimum wage. In their case, there are provisions for what is termed 'consequential adjustment' for other salary grade levels (Olayinka, 2019).

Eventually, government resumed negotiations with labour union leaders but the talks ended in a stalemate as both sides continued to share divergent opinions on the fiscally responsible manner to allocate wage increase, especially as it concerns the civil service. How did it get to this point and will a deal be struck anytime soon between those parties and forestall any sort of industrial action that might cripple economic activities across the country? (Elusoji, 2019).

Perhaps an important thing to note is that this is not the first time Nigeria has chosen to implement a new minimum wage. Some of the past minimum wage increase include the following: N125 (1981) by ex-President Shehu Shagari; N250 (1989/1990) by ex-President Ibrahim Babangida; N3, 000 (1998) by ex-Head of State Gen. Abdulsalami Abubakar; N5, 500(2000) by ex-President Olusegun Obasanjo; and N18, 000 (2011) by ex-President Goodluck Jonathan. President Buhari moved it to N30,000 in 2019 (Elusoji, 2019).

Indeed, the Minister of Labour and Employment, Dr Chris Ngige opined that the Federal Government is concerned with the category of workers that earn less than N30,000. This was immediately faulted by the organized labour, hence the delay in negotiation between the Government and Joint National Public Service Negotiation Council (JNPSNC), on the consequential adjustment (Olayinka, 2019). However, the battle for implementation of the N30, 000 new National Minimum Wage commenced in earnest across Nigeria's 36 states in October, 2019. At the federal level, the Federal Executive Council (FEC) gave December, 2019 as the deadline for implementation sequel to the successful negotiation

of the consequential adjustment at the wee hours of Friday, October 18, 2019 (Ahiuma-Young, 2019).

Ahead of implementation, state governments and organized labour were expected to meet on a state-by-state level to agree on the consequential adjustment as it affects each state based on its peculiarity. Though labour is on the exclusive legislative list, the powers of the Federal Government end with setting the baseline which had been done through the tripartite minimum wage committee. Already, Nigeria Labour Congress (NLC) had directed its state councils to work with social partners to ensure effective implementation of the new model across states (Ahiuma-Young, 2019).

As the Federal Government concluded negotiations with labour, State Governors under the auspices of Nigeria's Governors Forum (NGF), faulted the figures arrived at the federal level, saying they have to renegotiate fresh terms with their respective state labour councils, which would be based on ability to pay. This expectedly elicited condemnation from labour, which faulted reference to 'federalism' by governors whenever the issues of wages come up for negotiation (Olayinka, 2019). The reaction of the NGF confirmed the fears of organized labour unions.

The General Secretary, Nigeria Labour Congress (NLC), Emmanuel Ugboaja, declared that any recalcitrant state unwilling to go into negotiation for the consequential adjustment aspect of the minimum wage is inviting industrial crisis. He said: "We believe that state governors are honourable people that would uphold the Constitution of the Federal Republic of Nigeria. To this end, we are sure that no state governor will break the law of this country, and knowing that the minimum wage is a law, they would respect the tenets of the law. But we also know that there would be some that might want to test the resolve of the organized labour, and for those we would adopt the standard trade union response. For any Governor that is worthy of that sobriquet, he should know that salary structures worldwide have pillars that are globally defined (Olayinka, 2019).

He insisted that the figures that would be arrived at the states must be borne out of Collective Bargaining Agreement (CBA) after due negotiation with various state councils of both the Trade Union Congress (TUC) and NLC. According to him, the leadership of Congress has set up a standing committee to monitor the negotiation of consequential adjustment at the state level. This is to ensure that all the parameters are complied with. He added that the leadership of organized labour has directed its state councils on what to do. We have directed all our state councils to begin the process of negotiation. We have made it clear to our state councils that we are not going to accept awarded consequential adjustment by any State Governor that is not a product of collective bargaining agreement. Workers are not slaves and we will not accept being treated as such (Olayinka, 2019).

On his part, a former Chairman of NLC Kwara State Council, Emmanuel Ayeoribe said that labour does not have any option than to paralyze commercial activities in states that are unwilling to negotiate the consequential adjustment. He also faulted the position of the Governors for hiding under federalism whenever payment of workers' salaries is under discussion. According to him, the argument of the Governors' Forum is a misplaced one, misplaced in the sense that when it comes to workers' salaries, we tend towards federalism but on other issues we erode that philosophy. It is either we adopt federalism wholeheartedly or jettison it. The Governors cannot in one breath proclaim federalism when it favours them but shift away as soon as the situation does not favour them (Olayinka, 2020; Odiogwu & Onu, 2020).

Organized labour has commended state governments that have already commenced implementation of the new National Minimum Wage, it however urged that the implementation be a product of collective bargaining in line with International Labour Organisation (ILO) Convention 98 on Organizing and Collective Bargaining. It also implored all employers of labour to ensure that the necessary formalities for smooth implementation of the negotiated salaries based on the new national minimum wage are carried out diligently. While some states will have an easy ride in the implementation, many will no doubt be forced to implement through industrial unrest. While states like Lagos, Rivers, Delta, Kano and Akwa Ibom, among others, can afford to pay more than N30, 000 minimum wage to their least paid workers, it is illegal for any state to pay below N30, 000 to its least paid workers (Ahiuba-Young, 2019; Agbakwuru, 2020).

About 10 states owe arrears of salaries and other benefits from the outlawed N18, 000 minimum wage. Among the states, Zamfara was singled out for not implementing the N18,000 national minimum wage. According to investigations, Abia State owes teachers up to six months' arrears while council workers and others are owed between six and two months' arrears. Similarly, Adamawa State owes some categories of workers like secretariat staff, nurses and midwives and secondary school teachers various months of unpaid salaries and other benefits. For Bayelsa State, secondary school teachers are owed three months' arrears of salaries while primary school teachers are owed seven months' arrears of the outlawed N18, 000 minimum wage. Five months' arrears while Benue State still owes its workers not less than five months' arrears, its Imo State counterpart owes only the shortfalls from the previous government. In Kogi State, the government owes its "verified" workers about two months' arrears of which 10 percent is being paid monthly in line with an agreement with organized labour (Ahiuba-Young, 2019; Elusoji, 2019).

However, the fate of workers not yet verified still hangs in the balance pending when they are cleared. Also in Kwara State, the government owes some members of staff of its media organizations about three months' salaries. Teachers are owed certain percentages of

salaries between 2016 and 2018. Statutory deductions in Ondo State, one-month unpaid salary left by the previous government is still pending. Its Ekiti State counterpart owes council workers six months and civil servants, three months. In the same vein, Osun State government owes its civil servants from levels 8 – 13 nine months' arrears and those from levels 14 – 16 are being owed 14 months. Ogun State owes its workers several arrears of promotions, leave bonuses, and statutory deductions among others. Taraba State still owes about two months' salary arrears to its teachers left behind by the previous government (Ahruba-Young, 2019; Elusoji, 2019).

Most of the State Governments did not meet up with the 31<sup>st</sup> December deadline set by the Federal Government for implementation of the new National Minimum Wage, consequential adjustments for other categories of workers not covered by the minimum wage and of course the arrears that had accumulated from April, 2019 when the new National Minimum Wage Act was signed into law. Organized labour with the Trade Union Congress (TUC) set another deadline of January 31<sup>st</sup>, 2020 for all State Governments to commence payment of the new minimum wage, unfortunately at the expiration of that deadline many State Governments are yet to start paying the new minimum wage. According to Nwosu (2020), in reality, some states may not be able to pay it. Only very few states among the 36 states of the federation are viable. The rest depend almost entirely on federal allocations. With the dip in oil prices and no excess money to share anymore, this situation will likely get worse. It calls for expansion of our revenue base and a cut in profligate spending and debt accumulation by the government.

The Nigeria Labour Congress (NLC) has also vowed to resist moves to slash salaries of workers by government under the pretext of COVID-19. In a solidarity message to workers to commemorate year 2020's International Workers' Memorial Day, NLC President, Ayuba Wabba warned that this is not the time to stop or deduct from workers' salaries. Such an action would be both illogical and illegal as workers' salaries are core elements of employment contracts and collective bargaining agreements (Nwosu, 2020).

### **Conclusion**

Organized Labour fought a good fight in getting the Federal Government to review the National Minimum Wage and consequential adjustments for the other categories of workers. The Federal Government has also commenced the implementation, it has also paid minimum wage arrears to most of the workers except for those in the University and pensioners. Some State Governments have also commenced the implementation, some others are still in the negotiation process of the consequential adjustments of other wages, while some States are yet to do anything concrete in that direction. In such states, the state branches of organized labour are already gearing up for a showdown with the support of Nigeria Labour Congress (NLC) and Trade Union Congress (TUC).

This situation has been exacerbated by the Covid-19 global health pandemic that has dragged the global economy into recession. Presently, Nigeria's economy is gasping for breath as a result of the crash in global crude oil price occasioned mainly by the pandemic. So, instead of employers concluding on how to implement the new National Minimum Wage, it is obvious that there will be job losses, wage cuts and what have you. The Kaduna State Government for instance has already informed workers in her employment of an impending 25% wage cut. In the banking industry, it has taken the intervention of the Central Bank of Nigeria and Bankers' Committee to retain a lot of jobs that would have been lost by now. As we are in strange times, organized labour will be so busy because from all indication, we are entering a season of industrial unrest. All the gains achieved by the organized labour in Nigeria especially with respect to the new National Minimum Wage and the consequential adjustments are already being eroded by the Covid-19 pandemic. Some employers are also hiding under it to execute plans that were already in the pipeline before the pandemic.

#### **Recommendations**

The following recommendations have been made;

1. Government should ensure that wages of workers including the National Minimum Wage are reviewed at regular intervals in line with the extant economic realities.
2. The federating units (the States) should always be represented in negotiations involving determination of the National Minimum Wage.
3. Implementation of the National Minimum Wage once agreed on, should be total on the part of employers.

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