

Governments' Penchant for Dishonoring Collective Agreements Reached on Wages and Wage - Related Industrial Unrest in the Public Service in Nigeria

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Abstract— This paper examined the relationship between governments' frequent refusal to honour collective agreements reached on wages and incessant wage – related industrial unrest in the public service in Nigeria. The use of the collective bargaining machinery as an instrument of wage determination and settlement of other employment conditions is highly restricted in the public service in Nigeria because government prefers the use of wage commissions. However, whenever government decides to bargain with its employees represented by their unions and agreements reached, it usually finds it difficult to honour these agreements. In the public service in Nigeria, there are numerous cases of governments' failure to honour agreements it willfully entered into with workers. This sort of attitude on the part of successive governments in Nigeria makes one to think that even when government decides to negotiate with workers it has at the back its mind that the agreements reached during such negotiations would not be honoured. In some instances, government had even gone down to the level of denying that it entered into any form of agreement with workers. Governments' penchant for dishonouring collective agreements reached with workers bordering on wages and settlement of other working conditions has undoubtedly accounted for most of the strike incidents in the public service in Nigeria. This paper therefore contends that it is important that governments in Nigeria realize that collective bargaining remains the best method of determining wages of workers and other employment conditions in the public service. Most importantly, honouring agreements that result from these negotiations could go a long way in reducing the frequency of wage – related industrial unrest thereby ensuring reasonable level of industrial peace in the public service in Nigeria

Index Terms— Government, Collective Agreement, Wage, Collective Bargaining, Industrial Unrest, Public Service, Industrial Peace

I. INTRODUCTION

Successive governments in Nigeria have had this penchant for dishonouring collective agreements on wages reached in previous negotiations whenever they deem it fit to negotiate with the trade unions. Perhaps, violation of collective agreements has made strikes and social chaos inevitable in the Public Service in Nigeria. There can be no doubt the real

cause of most strikes in Nigeria is either the non – payment of wages or non – enforcement of collective agreement to *inter alia* pay wages and settle other employment conditions.

The agreement on the New National Minimum Wage and its non implementation by some state governments and even the Federal Government is a case in point (Olawale, 2011). The industrial action embarked on by the Academic Staff Union of Nigerian Universities (ASUU) in 2013 which lasted six months was as a result of the refusal of the Federal Government to honour an agreement it reached with ASUU in 2009.

Numerous other such cases abound in the public service in Nigeria which have always been veritable sources of industrial unrest. It is clear that any employer or government that so violates collective agreement reached on wages with impunity is only inviting strikes and social chaos. On several occasions it has been through the instrumentality of strike actions that government had been reminded of previous agreements which wages form integral part of (Olawale, 2011).

Clearly, resort to industrial action seems to be the most effective and justifiable means available to the workers to enforce concluded agreements with the employers if the continue to dribble the workers and fail to honour agreements entered with them. It is therefore necessary to investigate the relationship between failure to honour collective agreements reached on wages by successive governments and frequent industrial unrest in the Public Service in Nigeria.

II. CONCEPTUAL CLARIFICATIONS

Here some important concepts used in this work are clarified so as to remove any ambiguities their meaning in the context of this work. The terms are as follows;

Government; this refers to a group of people that governs a community or unit. It sets out and administers public policies and exercises executive, political and sovereign power through customs, institutions and laws within a state. A government can be classified into many types which include; democracy, republic, monarchy, aristocracy, dictatorship, among other forms. In other words government is the system by which a state or community is governed. It is a means by which state policy is enforced, as well as the mechanism for determining the policies of the state (Wikipedia, 2013). Investor Words (2015) regards government as a group that exercises sovereign authority over a nation, state, society or other body of people and is responsible for making and enforcing laws, managing currency and protecting the population from external threats, and may have other duties or privileges.

Collective Agreement; Generally speaking, parties in industrial relations embark on collective bargaining with the

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aim of arriving at collective agreements on the basis of which jobs can be jointly regulated by labour and management. Collective agreement therefore represents rules that are expected to be binding on both parties in industrial relations (Onyeonoru, 2005). Collective agreement could be procedural or substantive. Procedural agreement has to do with rules regarding the procedures for job regulations. These may include issues related to membership of the national negotiating body (National Joint Industrial Council), negotiating patterns, meeting, quorum, duration of agreements, internal procedures for the settlement of grievances. Substantive agreement on the other hand has to do with such items as wages and salaries, bonuses and allowances etc (Onyeonoru, 2005).

Wage; employers usually see wage as all costs incurred for the recruitment and use of labour in their enterprises. These include direct wages, fringe benefits, social security benefits paid to the employees and other costs incurred for occupational safety and health and human resource development. Employers are therefore concerned with the total cost of labour. Workers on their own see wages as the direct payment received for work done (Kessler, 1995; 2000). Duncan (1989) and Poole and Jenkins (1998) posit that workers are concerned with the immediate quantum of disposable income, although they recognize that fringe benefits associated with terms and conditions of employment and all other benefits in cash or kind are also part of wages. The types and quantum of fringe benefits vary with countries. It is determined through government intervention with legislation and collective bargaining between employers and trade unions. It is therefore a result of tripartite consultation and agreement (Milkovitch and Newman, 1990).

According to Armstrong (1999), the main components of payment systems include; basic pay, productivity incentives, social security, fringe benefits such as medical benefits, paid leave and allowances. Some of the allowances include rent in lieu of quarters, basic amenities for electricity, water, transport, subsidies for education of children, and Domestic Assistants (Armstrong, 1999; Bratton, 1999).

Industrial unrest; is a generic term that covers all forms of industrial actions undertaken by workers and employers to express their dissatisfaction in the workplace (Anugwom, 2007). Although, strike is the most popular form of the manifestations of industrial unrest in any society, there are other forms, which do not attract much notice or public attention. Yet this latter category accounts for a significant proportion of labour - Management dispute (Fashoyin, 2005). The other forms through which industrial unrest manifests itself are mainly used by workers and their unions as pressure methods on the employers to win their demands (Fashoyin, 2005). The types of action in this category include, work-to-rule, over time ban, lock-in/out, and intimidation (Fashoyin, 2005).

Public Service; refers to service provided by government to people living within its jurisdiction, either directly (through the public sector) or by financing provision of services. In other words, service provided or supported by government or its agencies (Wikipedia, 2014). Service performed for the benefit of the public, especially by a non-governmental organization. Public service also refers to the business of supplying an essential commodity, such as water or electricity, or a service, such as communication, to the public.

III. GOVERNMENTS' DISREGARD FOR COLLECTIVE AGREEMENTS AND INDUSTRIAL UNREST IN THE PUBLIC SERVICE IN NIGERIA: A THEORETICAL REVIEW.

Collective agreements include such a variety of subjects that they constitute issues defining the rights and obligations of the parties involved in a negotiation. They set out in detail, every aspect of labour – management relations at different levels including grievance and disagreement procedure (Kester, 2006). According to NLC (2009), the outcome of the negotiation between employer and trade unions is the signing of a contract, referred to as the “Collective Agreement”. The contract, which is binding on both parties, is usually made up of two parts. The first which is the procedural agreement concerns issues of rules and regulations governing interaction between employers and workers unions, for instance, union recognition, composition of the negotiating council and disciplinary procedure. The other part known as the substantive agreement deals with terms and conditions of employment including issues such as hours of work, wages, allowances and other benefits (NLC, 2008; 2009).

Collective bargaining leads to the introduction of mutually agreed and acceptable rules and agreements which employers and employees are expected to obey. Since there are bound to be grievances and conflicts in the work place, collective bargaining and agreement create a dispute settlement mechanism through which potentially explosive grievances and disagreements can be amicably settled. It also provides for time frame within which a resolution in one form or another must be reached (Aderogba, 2005; Kester, 2006). With such procedures and processes, collective bargaining creates and ensures industrial peace.

A very important principle of collective bargaining is that under it, the employer and the employee and his union have equal rights and are seen as equal partners. The employer cannot intimidate the employee nor can be latter threaten the employer (NLC, 2008). So collective bargaining provides a good basis and environment for industrial dialogue. Consequently, its outcome is usually a sincere product of dialogue and should therefore be respected. Also, under collective bargaining the union is not only accepted by the employer, but the rights and protection of the workers are also enshrined in the collective agreement (NLC, 2008). Consequently, the job of the labour leader is protected when he gives leadership to the workforce. On the other hand, collective bargaining also provides that the union does not interfere in management duties and prerogatives. Respect for collective agreements, the outcome of collective bargaining is usually written, and so its implementation is not dependent on the recollection of participants. However, the greatest danger to collective bargaining and industrial dialogue is when its outcome is not respected, or is treated with levity (NLC, 2008; Yusuf, 2009). Unfortunately, this has been the case in Nigeria's public service where government hardly respects any agreement reached with workers. This has also been the cause of most labour- organized industrial unrest in the Public Service.

For instance, based on an agreement reached between federal government and organized labour in 2000, wages were supposed to rise by 25 percent in May 2001 and 15 percent in 2002. However, the Federal Government did not keep to its side of the bargain (Aiyede, 2002; NLC, 2009). When there were industrial rumblings in the country as a result of this,

government set up a committee of five serving ministers to meet with the Nigeria Labour Congress. Both sides reached an agreement that the 25 percent wage increase be made with effect from 1st May, 2002, but again government reneged. When labour protested, the administration claimed no such agreement existed. The NLC had to publish the agreement in full with the signatures of the ministers and other government representatives before an embarrassed administration accepted that the agreement truly exists, but asked for new talks. Again, the new agreement signed by the government was declared a ghost document. The threat of a general strike (which actually took off in Abuja) forced government to own up to the agreement (Aiyede, 2002, NLC, 2009; Aminu, 2008). Similar cases like the one above abound in the history of wage determination in the public service in Nigeria. This situation engenders labour- organized industrial unrest because organized labour has realized that it has to always fight to get the government to the negotiating table and also keep to the terms of the agreements previously reached on wages.

The theoretical thrust of this paper is the Rational Choice theory. Economics plays a huge role in human behavior, meaning that, people are often motivated by money and the possibility of making a profit, calculating their likely costs and benefits of any action before deciding what to do. This way of thinking is called rational choice (Scott, 2000). Rational Choice theory was pioneered by Sociologist George Homans, who laid the basic framework for exchange theory, which he grounded in assumptions drawn from behavioural psychology. During the 1960s and 1970s, other theorists (Blau, Coleman, and Cook) extended and enlarged his framework and helped to develop a more formal model of rational choice. Over the years, rational choice theorists have become increasingly mathematical. Even Marxists have come to see rational choice theory as the basis of the Marxist theory of class and exploitation (Scott, 2000).

Economic theories look at the ways in which the production, distribution, and consumption of goods and services are organized through money. Rational choice theorists have argued that the same general principles can be used to understand human interactions where time, information, approval, and prestige are the resources being exchanged (Blau, 1997). According to this theory, individuals are motivated by their personal wants and goals and are driven by personal desires. Since it is not possible for individuals to attain all of the various things that they want, they must make choices related to both their goals and the means for attaining those goals. Individuals must anticipate the outcomes of alternative courses of action and calculate which action will be best for them. In the end, rational individuals choose the course of action that is likely to provide them the greatest satisfaction (Coleman, 1986). One key element in rational choice theory is the belief that not all actions are fundamentally rational in character. This distinguishes it from other forms of theory because it defines the existence of kinds of action other than the purely rational and calculative. It argues that all social action can be seen as rationally motivated, however much as some may appear irrational (Scott, 2000).

Also central to all forms of rational choice theory is the assumption that complex social phenomena can be explained in terms of the individual actions that lead to the phenomena. This is called methodological individualism, which holds that

the elementary unit of social life is individual human action. Thus, if we want to explain social change and social institutions, we simply need to show how they arise as the result of individual action and interactions (Coleman, 1986; Cook, 1987).

Rational Choice theory helps to illuminate our understanding of the issue under investigation. The situation in Nigeria is that the wage determination process is highly defective and wages of workers in the Public Service are not reviewed periodically against the cost of living so as to take care of the inflationary tendencies in the economy. Government does not like to engage in collective bargaining with its employees to determine wages and other conditions of work, whenever it does it would not want to honour agreements reached during such negotiations (Chienye, 1984; NLC, 2009). Workers in the Public Service have to always resort to the rational choice of strike action as the only means to achieve wage concessions and get the government to honour agreements it freely entered into with workers.

Today in Nigeria, those who are lucky to have jobs find it increasingly difficult to survive on their monthly pay (Cheeka, 2009). The major reason for this is that the pay of the Nigeria worker is not only one of the poorest in the world it has also not improved in the face of changes in the market conditions. Workers in the Public Sector are particularly worse off, because as huge revenues continue to be acquired from the sweat of workers the pay and conditions of workers have continued to deteriorate (NLC, 2009; Cheeka, 2009).

The workers have been increasingly excluded from the wealth of their labour. Workers can no longer survive on what they earn, and the situation is made worse by the fact that those who work also have to support family members who form part of the huge army of the unemployed (NLC, 2009). This makes workers to always ask for a general upward review of wages and increase in the National Minimum Wage, but in line with the repressive character of the Nigeria State, wage negotiations always end up in stalemates that degenerate to industrial unrest even when an agreement is reached, government hardly keeps to the agreement (Cheeka, 2009; NLC, 2009).

Rational choice theory has however been criticized, and according to its critics, the theory does not explain why some people seem to accept and follow social norms of behaviour that lead them to act in selfless ways or to feel a sense of obligation that overrides their self interest (Scott, 2000). Another criticism of rational choice theory is that it is too individualistic. According to critics of individualistic theories, they fail to explain and take proper account of the existence of larger social structures. That is to say there must be social structures that cannot be reduced to the actions of the individuals and therefore have to be explained in different terms (Scott, 2000). Despite these criticisms, the theory remains very relevant in illuminating the subject under investigation.

CONCLUSION

Dishonouring collective agreements reached on wages and other employment conditions with employees in the public service has obviously become second nature to successive governments in Nigeria. Government frequently enters into agreement with workers in the public service over wages and other work conditions with the intention of not honouring

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such agreements. This situation frequently leads to industrial unrest because workers and their unions would do everything within their powers to ensure that these agreements are honoured. Sometimes, it is through the instrumentality strike action that government is reminded of agreements it entered into with workers.

The collective bargaining machinery is not well – established and entrenched as an instrument of wage determination and settlement of other conditions of employment in the public service in Nigeria and as a result government resorts to the use wage commissions. This situation however does no auger well for the maintenance of industrial peace in the public service because every now and then workers led by their unions are in the trenches fighting for one thing or the other. Unless government becomes more committed to the use of collective bargaining and also honour agreements that result from it the situation would continue to deteriorate.

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