

The Place of Nigerian Labour Congress under a Deregulated Economy.

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ABSTRACT

The primary role of the Nigerian Labour Congress Nigerian (NLC) as a central body to which is affiliated all the labour unions in the Federation is to protect the interest of the workers. The deregulation policy possess a serious challenge to the Nigerian Labour Congress in the realization of this dream, as workers working in the same environment is pursuing different interest in terms of salary structure caused by the discriminatory policy. This has adversely affected the functionality of the Nigerian Labour Congress, as an institutional framework for collective bargaining in Nigeria.

Introduction

The Nigeria Labour Congress (NLC) was formally constituted as the only national Federation of trade unions in the country in 1978. Before then, four labour centres existed. These are Nigeria Trade Union Congress (NTUC), Labour Unity Front (LUF), United Labour Congress (ULC) and Nigeria Workers Council (NWC). The emergence of the Nigerian Labour Congress ended decades of rivalry and rancor involving the four centres and unions affiliated to them. The unions, numbering over 1,000 were also restructured into 42 industrial union. (<http://www.nleng.org>).

Since its inception, the Nigeria Labour Congress has had a chequered history in terms of development and survival. It has experienced several crises within its internal organization which lead to its proscription by the government for a certain period. Also it has had direct confrontation with the government in the bid to protect and advance the rights of the Nigerian workers.

The present development in the Nigerian economy has become a great challenge to Nigeria Labour Congress. For example, during the military administration, the Nigeria Labour Congress was under a government appointed caretaker committee for quite some times in their bid to protect the right of workers. Furthermore, the Nigerian Government announced a policy of deregulation. Deregulation according to government means that each State is free to set its own pay for the workers and to determine the number of workforce which the State can carry (1991 Budget speech.) This by implication means “unequal pay for equal work”. That is whereas workers in the various States perform the same work, their take home pay will not be the same. As we all know, one of the major roles of the Nigeria Labour Congress is to ensure fairness, equity and justice in the treatment of workers throughout Nigeria. If the various States in Nigeria are to introduce different labour

laws, it will affect the functionality of the Nigeria Labour Congress. This is because the Nigeria Labour Congress will find it pretty difficulty to co-ordinate the activities of members throughout the federation. In the circumstance certain pertinent questions comes to the mind of the questioners:

what is to be the new role of the Nigeria Labour Congress under the present deregulated economy in Nigeria? and what is the function and usefulness of the Nigeria Labour Congress under the present economic situation in the country?

It is against this backdrop that this paper intends to explore the place of Nigerian Labour Congress under a deregulated economy in Nigeria

The Concept of Deregulation

The term ‘deregulation’ has been interpreted to mean different things by different people, each trying to reconcile the constraints of reality with the option of government. To some it connotes privatization and commercialization while to other, it means retrenchment, downsizing, ranksizing, antonomy, ability to pay etc. Whichever is the case, to deregulate means to do away with restrictions or regulations concerning a particular issue.

According to Adeogun et al (2009) citing Encarta Encyclopedia (2003) cited in Edobor (2004) sees the term deregulation primarily as an economic term that developed from the free market economy of Adam Smith. Government rules and regulations governing the operation of the system are relaxed or held constant in order for the system to decide its optimum level through competition. The concept means government non-involvement in the establishment, funding, and management. Ernest and Young (1988) viewed deregulation and privatization as synonymous elements of economic reform program charged with the ultimate goal of improving the overall economy through properly

spelt out ways like freeing government from the bondage of continuous financing of extensive projects which are best suited for private investment by the sale of such enterprise; encouraging such enterprise; encouraging efficiency and effectiveness in resource utilization; reducing government borrowing while raising revenue; promoting healthy market competition in a free market environment; improving returns from investment and broadening enterprises share ownership, thus engendering capital market development. It also refers to private participation in countries economic activities to ensure competitive economic system devoid of monopoly and allow price mechanism of demand and supply principle of the economy to prevail (Odeh, 2011). To Ahmed (1993), deregulation entails giving greater space to the private sector as the prime mover of the economy, contrary to emphasis on the dominance of public sector. To achieve this objective, greater role are assigned to market factors as against the use of pervasive administrative controls. This is aimed at stabilizing and fundamentally restructuring the economy and places it on a durable and suitable path.

Ayodele (1994), looked at deregulation as one essential aspect of price and market reforms which entrails unshackling private sector development through removal of government restrictions on private economic activity and divestiture of the State assets particularly State owned Enterprises (SOEs) into private hands.

Theoretically, the concept of deregulation is based on Classical Liberalism. According to classical liberal view, the state comes into existence as a result of contract for the sole purpose of preserving and protecting the natural rights of individuals to life, liberty and property. The relationship between the individual and the state is contracted. The State is the creation of man and it exists for the fulfillment of certain specific objectives.

The State is evil but a necessary evil on account of the selfishness and egoism of man. It is a concession to human weakness. But for the restraining power of the state, there would be no social peace and order. The State should give its undivided attention to the protection of individual but not to promote his welfare. The guiding principle of liberalist is the maximum possible individual freedom and minimum possible state action, implying as over himself, over his ownbody and mind the individual is sovereign (Mahajan 1983). This school of thought further advocated the right of individual to freedom of trade, freedom of contract, freedom to bargain and freedom of enterprise.

It postulated private property as the condition of progress as property was considered to be the product of the individual's labour, ingenuity and enterprise. As all freedom of the individual ensued from the element of reason, they were regarded valuable to the society (Mahajan 1983).

THE PLACE OF THE NIGERIA LABOUR CONGRESS UNDER THE DEREGULATED ECONOMY

The cardinal goal or objective of the Nigeria Labour Congress is to cater for the welfare of its members. In pursuance of this welfare, the Nigeria Labour Congress works on the principle of fairness, equity and justice to all its affiliates unions. In other words, the members of the various unions have to work under the same conditions of service in terms of salary structure and fringe benefit.

However, under the deregulated economy, the situation is different, for example the workers under the various state governments that perform the same functions do not earn the same salary. Furthermore, the same worker who perform the same or similar functions both at the local and the federal level do not earn the same salary vis-à-vis the state workers. This creates labour problem for the Nigerian Labour Congress. This is because the Nigerian Labour Congress cannot pursue different policies for different union. More importantly, the workers of some unions especially those that works under the state and local governments seems to be highly marginalized and exploited in terms of their salary structure when compared with their federal counterpart. The deregulated economy allows the different employers to negotiate with their workers on what they will be able to pay. This means that there is no uniform salary structure or working condition for all the labour members in the federation. Another consequence of this deregulation policy is that the Nigeria Labour Congress cannot embark on collective bargaining for all its members. For example, the state and local government workers are not to benefit from the new salary structures and allowances approved by the Federal Government for the civil servants. Quoting the one time Secretary to Government of the Federation (SGF), "the State and Local Council workers are not included in the new deal. They are to work out their package with their various employers". This will create several labour unrest in the various states and local governments as a result of this discriminatory labour policy.

Many unions look on the Nigerian Labour Congress which is the central body to mediate and intervene on their behalf with the government in order to harmonize

their salary structure to be uniform with what is obtainable throughout the federation. The Nigerian Labour Congress has been constrained from doing this because of the law introducing deregulated salary structure in the various states of the federation. Also the various unions that seems to have been marginalized in terms of the working conditions find it difficult to give absolute loyalty to the course of the Nigeria Labour Congress since the labour union cannot effectively protect their interest.

Financially, the Nigerian Labour Congress relies on the 10% remittance by all the trade unions from the total amount of dues collected monthly for the running of the organization. These dues were no longer forthcoming as a result of lost of confidence imposed on the Nigerian Labour Congress by the various trade unions. This has given rise to different factions in the Nigerian Labour Congress which has made it possible for the government to penetrate the union and to vulcanize its membership. This has accounted for the present apparent inability and helplessness of the Nigerian Labour Congress to adequately deal with labour matters and problems in the country today. This has also given rise to the loss of confidence on the part of NLC by many of its affiliate unions. The situation is compounded by the recently introduced Integrated Pay-roll Software Solution (IPSS) which has centralized payment and reduced the bargaining power of workers.

The summary of situation presently is that the conditions and plight of the average Nigerian worker continues to worsen.

CONCLUSION

Labour and Management in Nigeria have turned to more decentralized bargaining as a way to develop contract terms that respond to their needs and economic pressure. This allows enterprise unions within an industrial framework to respond to their firms unique economic circumstances, but are able to rely on their industrial affiliates for support.

While it is perhaps, early to evaluate the efficacy of the system, this discriminatory policy of deregulation has created a lot of industrial disharmony and fragmentations among the various affiliates unions which have rendered the Nigerian Labour Congress impotent. Since the workers in the Federal, State and Local Government perform the same amount of work and are suppose to buy from same market, I presently fail to see the wisdom in any excuse on the part of

government that seeks to deny the workers uniform salary structure.

Although trade unionism in Nigeria has helped to bring about nominal wages in the modern sector through independent commissions, but despite the carefully constructed institutional framework and the avowed commitment of all parties concerned, voluntary collective bargaining has failed to function as a significant mechanism for forcing wages, implying defective collective bargaining in Nigeria.

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