

PERSPECTIVES ON THE DETERMINATION OF NATIONAL LABOUR AND INDUSTRIAL RELATIONS POLICIES: AN EXPLORATION OF THE NIGERIAN EXPERIENCE

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ABSTRACT

This paper explored perspectives for the determination of national Industrial Relations policies used by countries in managing labor-management relations. With the aid of a historical/ analytical approach, the paper highlighted two major perspectives (voluntarism and interventionism) as labor or industrial Relations policy options put in place in countries with increasing Union density for the minimization of industrial Relations adversarialism and promotion of industrial harmony at workplaces. The paper also highlighted the variants of voluntaristic labor policies (including management dominated and joint determination oriented labor policies). Further highlighted are the interventionist Industrial Relations policies with its variants (including the various forms through which the State intervenes in the determination of the ways in which the principal actors in Industrial Relations are to function). The paper concluded that perspectives on the determination of national labor and Industrial Relations policies evolved during the unregulated interplay between the demand and supply of labor which led to increasing immiseration of the working class and the clamor for regulatory mechanisms to balance the power of the principal actors in Industrial Relations. The Nigerian labor policy experience was explored and a justification put forward by the Nigerian State for the model adopted is discussed.

KEYWORDS: *Voluntarism, Interventionism, Labor Policy, Management Domination, Joint Determination, Industrial Harmony, Industrial Relations Adversarialism*

INTRODUCTION

The Industrial Revolution in Europe of the 19th Century extended to the less developed Countries of Africa (including Nigeria) after Countries established the contact with Western Europe. Labor immiseration faced by workers who predominantly depended on wages as their exclusive means of sustenance, was the challenge of this era of increasing industrialization. The body of knowledge known as Industrial Relations today evolved as a reaction to the labor problems in the industrializing countries in the period spanning 1870–1920 (Kaufman, 2004). At this period, there was the predominance of the classical and neo-classical economic theory that was based on the principle of free trade. This was also what is referred to in the phraseology of the discipline of economics as “Says Law”. This law contends that a free-market system automatically returns to an equilibrium position of full employment. These contentions and their application to the labor market were said to be supported in the works of Walrus (1954) and Marshal (1920). These views portray a commodity model of labor and an intellectual rationale for a Laissez-faire and unregulated definition of free trade in labor, unilateral and harsh labor management practices (Kaufman, 2010). This

led to an un-balanced free trade labor market model which in turn contributed to the labor problems experienced during the era of increasing industrialization in Europe and America. This further led to a need in seeking for a paradigm shift or an alternative which culminated into the evolution of the Industrial Relations model for managing employment Relations (Ely, 1886) and (Adams, 1887), with the emphasis on the justification for the emergence of labor organizations to balance the one-sided price determination and conditions of labor, and the relation of the state to workplace governance. Supporting the Industrial Relations model as superior to the orthodox demand and supply model of the labor market, Commons (1934b) emphasized the need for laws and institutions to guide the labor market in what he referred to as “A managed equilibrium”(Kaufman, 2004).

This contact and increasing industrialization brought with it the laissez-faire ideology, which formed the basis of the economic policy of free enterprise. This gave rise to the voluntaristic posture of the State in Industrial Relations. As we may argue, the theatre of Industrial Relations has three principal actors in action which results into outcomes (including adversarialism and /or industrial harmony). These actors are the employers (and their associations), the workers (and their Unions, and the State (Government). The State has been seen in the light of performing certain functions which include the setting up of the framework for the practice of Industrial Relations. The purpose of this paper therefore is to review the extent to which the state played the role of setting up the framework. This review will include an assessment of the extent to which the parties (employers and the unions) are given freewill to regulate the workplace employment relations in Nigeria.

Industrial Relations Policies Based on Voluntarism

The term, voluntarism is used to describe Industrial Relations practices where the State gives freewill to the two actors to practice Industrial Relations at the workplace. A careful examination of Industrial Relations systems has shown some variants of voluntaristic posture of the State in Industrial Relations. The variants are dependent upon the extent to which freewill is given to the two parties in Industrial Relations (workers or their Unions and Employers or Managements) to handle their affairs at the workplace. This does not however foreclose the role of the State in setting up the framework within which the two parties would exercise their free will. The voluntaristic variants which though may have different names according to their forms in different countries are Management domination practices and joint determination practices as displayed in Figure 1:

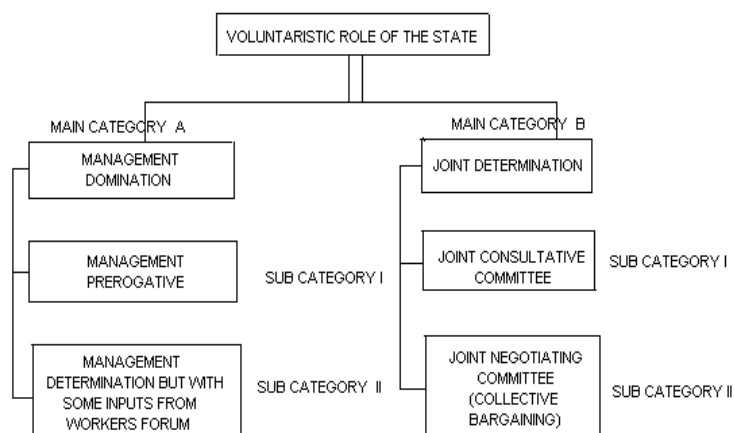


Figure 1: Variants of voluntarism in Industrial Relations Practice.

Source: Desktop Research, 2016

Management Domination Practices

Management domination practices connote all Management influenced forms or practices involved in the determination of the roles workers and their Managements are to play in Industrial Relations at the workplace. This main category (Management domination) has sub-categories such as:

Management Prerogative: which is an extreme type, spells out the exclusiveness of the authority of Management at workplace Industrial Relations? Ahiauzu's (1984b) Labor Utilization Rules is a typical example of Management pre-relative.

Management Determination (With Some Inputs from Workers Forum): which is a mild type where contributions of workers put forward at forums held with them are included in the formulation of workplace Industrial Relations policies.

Joint Determination Practices

Joint determination practices are the well-known forms of workers participation with Management in Industrial Relations. These forms were given different names in different Countries according to their peculiarities. The well-known forms or sub-categories in Nigeria are:

- **Joint Consultative Committees:** are for a opened or created for interaction/discussion between selected workers' representatives and Management representatives. Discussions and understanding reached in such fora are forwarded to Management as advice/input which may be utilized in the formulation of workplace Industrial Relations policies.
- **Joint Negotiating Committees:** are Councils comprising of Union representatives and Management representative. Representatives of the two parties obtain mandate from their principals to enable them negotiate terms and conditions of employment at the workplace. Ahiauzu's (ibid) Employment Contractual Rules is a typical example of an outcome of agreements reached by this Committee.

Industrial Relations Policies Based on Interventionism

There was a phase during the era of the Industrial Revolution in Europe when the supply of labor exceeded its demand. The excess supply of labour over demand led to reduced remuneration paid to labor. Developmental sociologists branded Europe as the Metropolis and Africa (Nigeria) as the satellite at the time. The European trend extended to Nigeria as the Nigerian economy got increasingly monetized. This led to increasing misery for labor at the time. Florence (1957) for instance pointed out that the period in which the laissez-faire philosophy (voluntaristic posture) flourished and was applied as state policy was one of increasing industrial labor immiseration. The problem of labor immoderation led to concern shown by some persons who clamored for the role of Government in the management of Labor Relations in Europe. This pressure and social conscience according to Adeleke (1982) compelled governments to intervene in the Industrial Relations systems so as to mitigate the harsh effects of labour exploitation by regulating such things as hours of work and the employment of children. This explains the emergence of the interventionist policy of the state in Industrial Relations.

The interventionist posture of the State is often aimed at some critical areas of an Industrial Relations process.

The experience in Nigeria has seen the direction of State intervention as displayed on Figure 2:

Figure 2 shows over the years, the change from the laissez-faire ideology to the interventionist ethic led not only to government protecting workers in the factories, but, also to some instances of complete control of Industrial Relations system which was not the original idea which led to the clamor for intervention.

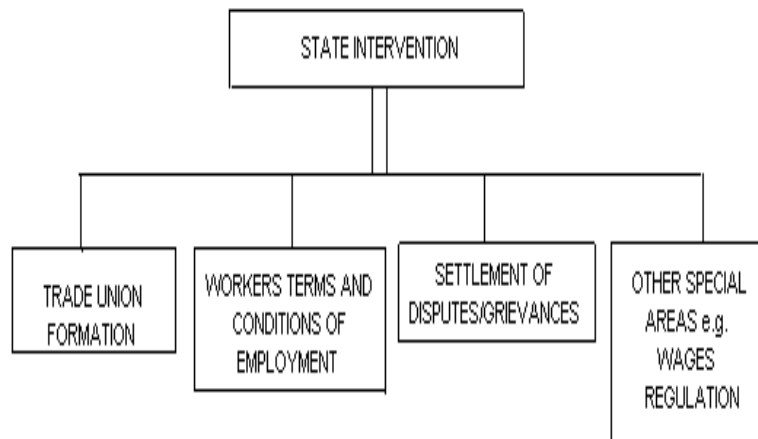


Figure 2: Direction of State intervention in Industrial Relations.

Source: Desktop Research, 2016.

Voluntaristic and Interventionist Labor Policies—the Nigerian Experience

During the colonial rule when Nigeria was a colonial territory of Britain, the voluntaristic ethic imported from Britain was applied in Nigeria. Government's labor policy declaration as far back as 1955 was voluntarism. As the words of Okotie Eboh (1955) import:

We have followed in Nigeria, the voluntary principle Which is so important and relevant in Industrial Relations in the United Kingdom.

From the above therefore, it can be argued that, prior to the Nigerian Civil War, it was the policy of Government to encourage the principle of voluntarism in the dyadic relational aspect of the industrial enterprise. However, the voluntaristic posture of the State in Nigeria (unlike in Britain) witnessed the absence of parity of power between the two main actors in Industrial Relations. Fashoyin (1980) argued that up to late 1970's Nigerian Unions suffered from chronic structural and organizational problems. The permissiveness of the then Trade Union Law (with a posture of voluntarism) led to the multiplicity of Unions with small and ineffective membership base. The situation flourished the Management Determination variant of voluntarism in Nigeria at that time.

The need for industrial peace in the Civil War years which is part of a strategy to win the war necessitated interventionism in the Industrial Relations history of Nigeria. This is not to say that there was total absence of intervention before the war. Prior to the Nigerian Civil War, it will be recalled that Government claimed to be merely pursuing what it called a policy of minimum intervention and guided democracy.

The first major shift from the voluntary ethic took place in 1968 due to unrests occasioned by the economic hardships experienced during the Nigerian Civil War which led to the promulgation of the Trade disputes (emergency

provisions) Decree of 1968 and that of 1969 banning strikes and lock outs. The direction of the State (Nigerian Government) here is on trade dispute and grievances settlement machinery in Industrial Relations. The interventionist direction of the State here further led to the promulgation of the now main Trade Disputes Decree (1976) and its various amendments providing for the use of internal machinery as a first step in the resolution of trade disputes; mediation and conciliation stages; and Arbitration and National Industrial Court stages in disputes settlement between Union and their Managements.

There was again the persistence of incomes policy guidelines in 1977 showing a shift in government policy from absenteeism to interventionism. The interventionist action here is directed at the other special areas such as fixing of minimum wages and wage increment. Other actions of the State in this direction is the later abrogation of the productivity, prices and incomes decree and the subsequent promulgation of the National Wages Commission Decree and the National Economic intelligence unit which are all directed at checking wages and wage increment.

The Nigerian Industrial Relations system has continued to witness government intervention through the promulgation of either new Labor Decrees or the amendment of old ones. The interventionist direction here is geared toward setting minimum standards to be practiced by the principal actors in the Industrial Relations system. The Nigerian Labor Decree (1974) with its various amendments is detailed at setting minimum standards regarding terms and conditions of work for Nigerian employers and workers. The National Economic Emergency Decree 22 of 1985 and the amendment Decree 35 of 1986 empowering the President of Nigeria to regulate the economy and labour matters which led to the dissolution of the two factions of the Nigeria Labour Congress in 1988 is a reference case.

The Rationale for the Interventionist Role of the State in Industrial Relations in Nigeria

State intervention in Industrial Relations in Nigeria is argued to have been necessitated by its three major roles in the socio-economic/political life of the Country. Government is seen as the single largest employer of labour in Nigeria. Government is seen as the State Authority on whose shoulders rely on the administration of the Country and protector of the economy. Government is also seen as peace maker, mediator and conciliator to disputing interest groups in the State. Government role as rationalized is displayed in Figure 3:

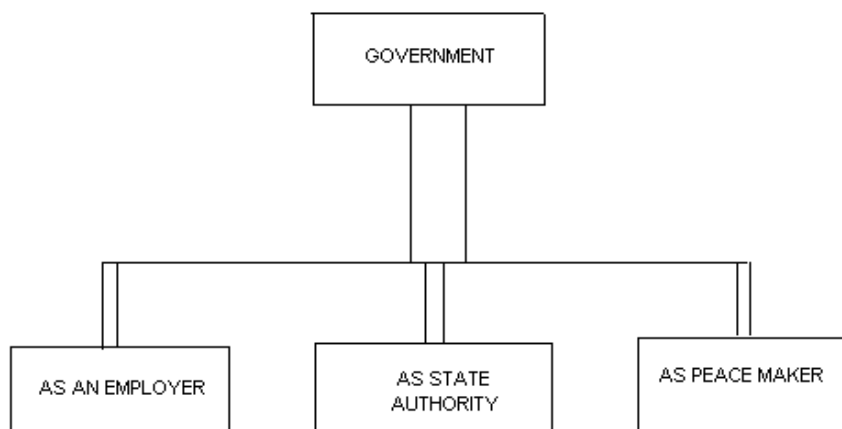


Figure 3: The Rationale for Government Intervention in Industrial Relations.

Source: Desktop Analysis, 2016

Government as an Employer

The Nigerian Government has been cited as the largest single employer of labor. Fashoyin's research (1980) shows that 65 % of the labor force is in Government employment. Consequently therefore, Government as an employer must be a key factor in the practice of Industrial Relations. This led to the establishment of the Joint National Public Service Negotiating Councils which justifies the need for Government to negotiate with its workers through the Establishments Ministry which also plays the role of employer for Government. Keer (1960) also asserted that an Industrial Relations system like that of Nigeria, at its formative stages in the 1960's is more likely to be influenced by the State than previously since government enters the system as the largest single employer of labor.

Government as State Authority

Government as State authority played the role of regulating the economy through the defunct Productivity, Prices and Incomes Board (PPIB) with its branches such as (1) Incomes Analysis unit in the Ministry of National Planning; (2) Pay Research unit is the office of Head of Service (now Secretary to Government); (3) Wages and Productivity unit in the Ministry of Labour and Productivity and (4) the Prince Intelligence unit - all concerned with the regulation of relative prices of all factors of production. The PPIB has been replaced with the national wages commission and the economic intelligence unit.

It will be recalled that during the Nigerian Civil War, Government was concerned not only with the Maintenance of national political security, but, also with the economic survival of the Country. As a measure to maintain industrial peace, government promulgated the Trade Disputes (Emergency Provisions) Decree 21 of 1968 and its amendment of 1969 which banned strikes and lockouts and same also limited the freedom of employers and workers to negotiate wage increases.

Government as a Peace Maker

Prior to 1968, the role of government as a peace maker was based on the voluntaristic principle whereby the two parties in industry were left alone to solve their problems. Government only persuaded them (the conflicting parties in industry) to settle.

Later however, and particularly during the Nigerian Civil War period, Government, being a protector of the economy and its citizens found that leaving this role of peace making in the hands of the captains of industry and labor alone will shatter the national economy and indeed endanger lives and property of its citizen, shifted to the interventionist principle. This led to the role of Government as a peace maker. And this also led to the promulgation of the Trade Disputes Decree 21 of 1968 which in addition to prohibiting strikes, made conciliation compulsory through the compulsory intervention of the Minister of Labor. The 1976 Act however did not place an outright ban on strikes but provides that disputes settlement channels as contained in the Decree be exhausted before embarking on strikes.

CONCLUSIONS

This paper traced the origin of the determination of national labor or Industrial Relations

Policies to the era of the Industrial revolution of the 18th century. The paper highlighted the views that portrayed a commodity model of labor and an intellectual rationale for a Laissez faire and unregulated definition of free trade in labor, unilateral and harsh labor management practices (Kaufman, 2010) which led to an un-balanced free trade labor

market model which in turn contributed to the labor problems experienced during that era, including the justification for the emergence of labor organizations to balance the one-sided price determination and conditions of labor, and the relation of the state to workplace governance. The paper reminded academics that the ratio of labor supply over its demand which led to labour immiseration further led to a clamour for State intervention in Industrial Relations. This in consequence led to the two main perspectives (voluntarism and interventionism in labor or Industrial Relations policy formulation or determination.

It was concluded that the rationale for Government's role in Industrial Relations is supported by the position of Government as the single largest employer of labour, as State authority and peace maker.

The paper noted further that the Nigerian Government intervened in Industrial Relations through the following

The restructuring of Trade Unions along industrial lines through the Abiodun's Commission and the subsequent Decree of 1978 and its various amendments.

Government made collective agreements registrable under the law (Trade Unions Decree of 1973 and its amendments).

The introduction of the defunct incomes policy guidelines and now economic intelligence unit and national wages commission with the aim of reducing inflation.

The introduction of persuasive adjudication machinery for handling trade disputes such as internal machinery, mediation and conciliation; and compulsive disputes adjudication machinery such as Industrial Arbitration panel and National Industrial Court which are all instances of State intervention in Industrial Relations in Nigeria.

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