

Historical and Theoretical Perspectives on Industrial Relations, Labour Productivity and National Development in Nigeria

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Abstract

This paper critically analyses historical and theoretical perspectives of industrial relations, labour productivity and national development in Nigeria. An industrial relations system is an arrangement that coordinates relationships between management and employees (and their representatives) on the one hand, and between them and the State on the other, and ensure more harmonious and cooperative than conflictual relations. The paper affirmed that Industrial relations seek to balance the economic efficiency of organizations with equity, justice and the development of the individual, to find ways of avoiding, minimizing and resolving disputes and conflict and to promote harmonious relations between and among the actors directly involved, and nation as a whole. The objective of this paper is to investigate the tripartite relations of industrial relation, productivity, and national development. The paper conducted a review of relevant literature that explain and establish the nexus of history and theoretical underpinnings of industrial relations, labour productivity and national development. To carry out this task a concise methodology was developed for this paper. This study employ theoretical postulations to establish relationship between industrial relations and national productivity, as well as the role of Nigerian state in promoting industrial peace and labour productivity in the country. The paper concluded that, effective management of industrial relations which foster national productivity is hinged on tripartite consensus between labour, management and government based on truth and mutual respect.

Keywords: Industrial Relations, Labour Productivity and National Development

1. Introduction

Industrial relations have become one of the most delicate and complex problems grappled with by most modern states. Industrial peace is impossible without cooperation of labor and rapprochement among parties to industrial relations. Therefore, skills and motivation of workforce affects their productivity and, therefore, of the organization. Apart from the influences on the morale of the workers, the state of industrial relations has a direct bearing on the workers willingness to work. When it is said that the quality of industrial relations has an important bearing on productivity, it is to be realized that industrial peace engenders growth and efficiency of an organization. Apart from the fact that stoppages of work occasioned by industrial actions reduce production even under normal conditions when the work processes are supposed to function smoothly, the quality of industrial relations continues to influence the worker's behaviour and his attitude to work.

The antecedents of industrial relations in Nigeria can be traced to colonial or even the pre-colonial era, when formal and semi-formal relationships were established with the British in particular and the Europeans in general. Such relationships led to the introduction of wage employment in a formal industrial setting. At the Berlin conference of 1884-1885, the British succeeded in formalizing its claims to the Niger Basin and the activities of some private entrepreneurs were brought under control of the Royal Niger Company headed by Sir Taubman George Goldie (Ubeku, 1993). Meanwhile one administrative or political action of the British led to another, and eventually led to the amalgamation of the Northern and Southern protectorates in 1914 to form Nigeria. This new country was led by Lord Lugard, a British colonial administrator. As the country advanced both in age and development, the British colonial masters carried out a number of reforms in the labour sector, which created the legal frameworks for industrial relations in the country. Therefore by 1960, when Nigeria gained political independence from Britain what constituted industrial relations was largely derived or from the Anglo-Saxon model of industrial relations. The post – independent industrial relations in Nigeria had been shaped by political, economic and social factors and actors. Theoretical postulations were employed to explain the causal relation between industrial relations and productivity.

2. Literature Review

2.1 Historical Antecedents of Industrial Relations and Labour Productivity

The evolution of the labour movement started with the industrial revolution in Europe and was influenced by discoveries of research in the study of human behaviour in work organizations. Studies in industrial management and other behavioural sciences led to emphasis on motivation and the impact of social groups as important factors in achieving high productivity. Starting with scientific managers whose concerns were ‘the search for the optimum or “best” methods of work organization in industrial undertakings’ (Goodman,1984). There was an emphasis on a unitary and individualistic approach to industrial relations. Under the unitary perspective of the

organizational relationship management saw itself as the only authority to direct industrial relations. In other words, management's job was simply to explain the best methods to the operative staff and to ensure the methods were followed (Goodman, 1984).

The works of Karl Marx (*Das kapital*), were very critical to the development of labour movement. His writings elevated labour by arguing that the capitalist's wealth is created by exploitation of surplus labour of the workman. Marx advocated that for the exploitation of labour to cease, the workers must seize and own the means of production. Marx's thesis and the theoretical and practical commitment of his followers, led to the great socialist revolution and labour union movements that dominated the politics and economic thinking of the greater part of the last century. The growing influence of labour unions was felt not only in countries that professed socialism but also in core capitalist ones. To standardize labour practices globally, International Labour Organizations (ILO) was established as an arm of the League of Nations. This organization helped to project labour policies through various conventions and resolutions. One view is that ILO was formed to save the interest of capital by finding ways of the revolutionary labour movements across many countries.

2.2 Background to Labor –Management Relations in Nigeria

Nigerian labour policies and legislations has tried to respond to international trends in industrial relations. The development of industrial relations was highly influenced by the British tradition. In fact, the establishment of the first labour law in 1938 was at the instance of the colonial office in London. Not just that.

Indeed, the bulk of the extant labour laws in Nigeria, were enacted before independence in 1960. They have constantly been reviewed and updated for better or worse (worse, particularly with regard to industrial relations under successive military regimes) over the years. Most of the pre-independence legislation derived from International Labour Conventions ratified on behalf of Nigeria by the colonial government (subsequently confirmed by Nigeria at independence) and, enforced by means of Acts and military decrees. (Yesufu, 2000).

The number of the country's labour legislations that were enacted by the colonial government illustrates the extent of this influence. It includes:

- The Trade Unions Ordinance of 1938 which formerly recognized organizations of workers and employers to represent their respective interests in labour relations matters;
- The Labour Code Ordinance of 1941, which stipulated minimum standard of employment. To protect the worker against the abuses of management in the general area of employment;
- The Trade Union Disputes (Arbitration and Inquiry) Ordinance of 1941 which gave the state the power to intervene in labour disputes when the joint machinery for settling disputes and grievances had failed and it thus provided for government intervening machinery processes of inquiry, conciliation and arbitration;
- The Workmen's Compensation Ordinance 1941 which was a social security law that provided payment and compensation to workers who suffered injuries or occupational disease at work or in the case of death, provided for payment to the worker's dependants;
- The Factories Act of 1945 which was to ensure the safety, that employers provided clean and sanitary environment, good ventilation, lighting etc; and
- The Wages Board Act 1957 which established the use of voluntarism between the workers and employers in establishing conditions of work or for the government to prescribe wages and other conditions of employment if, in its judgment, conditions of work were unreasonably poor.

Taken together this colonial legislation could be perceived as trying to establish a voluntary approach to industrial relations. Voluntarism is recognized as a by-product of British labour policy in Nigeria and the notion implies that the law allowed workers to associate in trade unions, and employers in employers' associations, and left the two sides to sort out their problems without any further interference from the law. The law assisted the parties to reach an agreement with various 'props' like facilities for conciliation or arbitration. If either party overstepped the boundary of what was proper, the law could intervene to ensure fair play.

The indigenous leaders that took over the rein of power from the colonial British officers also gave support to voluntary industrial relations approach. At the International Labour Office Ministerial Conference in Geneva in 1955, Nigeria's Labour Minister Okotie Eboh reported:

We have followed in Nigeria the voluntary principle which was so important an element in industrial relations in United Kingdom...compulsory methods might occasionally produce a better economic or political result, but labour management must, I think, find greater possibilities, mutual harmony where results have been voluntarily arrived at by free discussion between two parties. We in Nigeria, at any rate, are pinning our faith on voluntary methods (International Labour Organization, 1955, p.33)

It is, therefore, to be understood that Nigerian labour legislations in the colonial era and first republic was

based on voluntarism. However, while legislation seemed to support voluntarism, in practice colonial policies, whether starting the purpose of fostering trade unionism or promoting industrial relations, were primarily control devices to ensure that social institutions like trade unions did not threaten colonial economic interests (Fashoyin, 1992). Salaries especially for public sector workers remained the unilateral decisions of government through ad hoc commissions. Between 1934 and 1966 when the military took over government in Nigeria, there was no less than thirteen (13) such ad hoc commissions (see for example Okotoni, 2004 and Ikeanyi, 2009). It is estimated that about 90% of the work of those commissions had involved issues of review of wages, general conditions of service, the grading system and other issues that could have been resolved through collective bargaining under the provisions of existing labour laws relating to voluntary negotiation between the employer and the unions. These issues should have been negotiated but under the colonial practice they were fixed by administrative fiat.

Thus, in spite of the British initiative in introducing labour laws that accorded with world trends, it would be wrong to claim that industrial relations in Nigeria during the colonial and early independence era followed the voluntary approach. State-labour relations were interventionist paternalistic rather than voluntary, peaceful and democratic. During the period, trade unions were still at the teething stage of their development. It seemed that the colonial government was enacting labour Ordinances in tune with International Labour Conventions as a *de jure* stance to deceive the nationalists and the world that colonialism was a liberal and altruistic mission rather than an exploitative exercise. Fashoyin (1992) acknowledges that the labour laws were comprehensive but finds that the laws suffered from under-enforcement. In some cases, the enforcement was diametrically opposed to the extant laws.

The Trade Disputes (Essential Services) Decree of 1976 amended the 1968 decree by changing the ban on strikes to a ban on strikes in areas classified by the Ministry of Employment as essential services. It gave enormous responsibilities to the Minister in the resolution of labour disputes including the power to apprehend any dispute and prescribe such steps as he thought appropriate for its immediate settlement {Trade Disputes Act, 1976, Sect1 (1) and sect 3 (2)}. Even where there was settlement through collective bargaining process, a copy of the settlement reached must be deposited with the Minister who in turn might enforce any part of the agreement. So the government through decrees and commissions, singlehandedly continued to fix salaries of public servants, restructured the labour unions, creating in the process, industrial unions, senior staff associations, and employers' associations.

Trade unions on their part continued to be weak and ineffective. The military in a paternalistic and autocratic fashion chose to reorganize the over one thousand existing trade unions into bigger, stronger and manageable groups. This action embarked upon in 1977 was contrary to the Trade Union Decree No 31 of 1973 which repealed and replaced the 1938 statute on trade union and provided for free option for amalgamation among trade unions. The merging and reorganization of trade unions in 1977/78 by the government was purely unilateral. Uvieghara (2001) has noted that the statutory provisions on amalgamation or merger of trade unions did not apply in 1978 and 1996 when there were such exercises. From the reorganization of 1977/78 emerged fifteen (15) Senior Staff Associations, nine (9) Employers Unions and twenty nine (29) Workers' Unions. Decree 22 of 1978 recognized only these as trade unions in the country (Ikeanyi, 2009). The reorganization also encouraged formation of federations of trade unions or central labour organizations which eventually led to the emergence of the Nigerian Labour Congress as the only central labour organization in the country (Uvieghara, 2001).

Perhaps ironically it is this umbrella labour union that has subsequently championed the onslaught against the autocratic and interventionist approach to labour relations of the state in the contemporary context and has also determined government responses to the labour issues in the contextual socio- economic and political developments in the country. The contemporary state labour relations policy in the country is geared towards crippling labour which has gained substantial power under the auspices of Nigerian Labour Congress (NLC). 2.3 Labor Unions in Nigeria: Evolution and chronicle of confrontations

The history of labor unions in Nigeria indicates that the first union, now known as the Nigeria Civil Service Union (NCSU), founded in 1912, emerged as a result of the growing wage employment in government establishments. It was not formed based on the ideals of labor union organizations like the need to fight for workers' rights, nor was it formed out of frustration or disaffection with their employment conditions. As Yesufu (1968) remarked, the NCSU was formed primarily to provide a forum for social interaction among African officers in the colonial service, as was the case in the other British West African Colonies. In 1931, two other unions were created: The Nigerian Union of Teachers (NUT) and the Railway Workers Union (RWU) (Fajana, 2004). Industrial activities at this time were low as the colonial employer was seen as a father figure deserving the loyalty of the workers. Militant unionism was not a characteristic of labor unionism at this time. It was not until the 1930s, especially with the introduction of The Trade Union Ordinance of 1938 that led to the proliferation of labor movements in Nigeria.

As alluded earlier and in line with the position of many writers and industrial relations experts, the first organized and formalized labor union was the Civil Service Union established in 1912 (Fajana, 2006; NUPENG, 2009; Snelling, 2002). With the birth of the NUT and RWU in 1932, labor unions began to emerge on the industrial

relations scene in Nigeria. However, there was insignificant development in industrial relations due to inadequate wage employment, repressive colonial labor policy, low level of economic activities, ignorance, absence of a legal backing for existing labor unions and so forth (Fajana, 2006). However, with the Trade Union Ordinance of 1938 which allowed at least 5 workers to form a union, this led to the proliferation of labor unions with most of them based on one employer or one enterprise and comprised few members indeed. This status quo continued until the 1970s. In fact, according to Fashoyin (1992), the unions then were close to 1,000 in number.

It was in 1978 that there was a restructuring of labor unions and that pruned down the number of unions from more than 1,000 to 70 unions; broken down as follows: 42 industrial unions; 15 Senior Staff Associations; 9 Employers Associations and 4 Professional Unions. This time started the era of industrial unions and sounded a death knell to the 1938-1978 era of ineffective house unions (Fajana, 2006; Snelling, 2002). It was also in February 1978, the Nigeria Labor Congress, a product of a merger of four labor centers, viz, Labor Unity Front (LUF), Nigeria Workers' Council (NWC), Nigeria Trade Union Congress (NTUC) and United Labor Congress (ULC), was formed and inaugurated (Fajana, 2006). This is arguable as (Fashoyin, 1992; Iyayi (2008) contend that the NLC had first been created in 1975 arising from The Apena Cemetery Declaration. According to Iyayi, unhappy with the fact that workers could resolve their differences on their own, the Nigerian state under General Muritala Mohammed, set up the Adebisi Tribunal on February 12, 1976 ostensibly to re-organize the labor unions. It was the Adebisi Tribunal that provided the grounds for banning many notable progressive and left-wing labor unionists, including Michael Imoudu, Wahab Goodluck, and S.U. Bassey, from participation in labor union activities for life. The workers-created NLC was thus dissolved, and by the Trade Union (Amendment) Decree No 22 of 1978, a new central labor organization with the same name as the Nigeria Labor Congress was created. Consequently, the then 42 Industrial Unions became affiliates of the Nigeria Labor Congress with a legal backing of the Trade Union (Amendment) Decree 22 of 1978 (Nupeng, 2009). By 1980, there were 70 labor union organizations and associations in Nigeria. The confrontational posture of the organized labour has its roots in the past and continues to blossom to this moment as presented below:

2.3.1 Labor Unions in the Second Republic 1979 – 1983

Labor unions before the ushering in of second republic had already become militant and forcible in their activities and demands as a result of their experience with the military. However, with a civilian regime in power, the leadership of the Nigerian Labor Congress thought they were going to fare better than they did under the military. To their dismay, that was not the case. According to Comrade Ali Ciroma, the President of NLC from 1984-1988, the government of Shagari introduced new challenges (Komolafe, 2008). There was recklessness in resource management. As Komolafe put it, the recklessness was so much "to the extent that States were failing in their basic responsibilities like paying salary and wages as at when due. The NLC's attention was diverted to this scourge. National Party of Nigeria (NPN) and National People's Party (NPP) states were the worst." Labor unions were forced to embark on prolonged strikes with the situation very severe in Imo and Benue states where teachers were owed salaries for over one year. The civilian administration found itself increasingly unable to control organized labor, culminating in a two-day strike involving more than a million workers, mobilized by the NLC (Snelling, 2002). The Shagari government which promptly gave huge salaries to politicians and political office holders was unwilling to consider granting workers a minimum wage until the NLC threatened to call out workers on a national strike. It was only after the two-day national strike called by the NLC in May 1981, that the Federal government was finally forced to raise its unilateral minimum wage of N120 to N125 (Iyayi, 2008); a paltry increase of 4.2%. However, the federal government still did not respond to the rising unpaid salaries of workers until the NLC threatened to boycott the 1983 general elections. It was only then he provided funds to the states to clear the salary arrears. Ciroma claimed federal government even tried to divide the NLC but couldn't (Komolafe, 2008). As Momoh (1992) vehemently argues, "The NLC-led strike was a success to the extent that the states and federal governments made concessions to labor and acknowledged the miserable social conditions of the working class caused especially by the rising cost of living, poor conditions of service, and workers retrenchment.

2.3.2 Labor Unions under the Buhari/Idiagbon Regime -31 Dec 1983 - 27 Aug 1985

With the return of the military, the relative gains made by labor unions in the country during the second republic were reversed. The government went from non-payment of salaries to large scale retrenchment. As Komolafe (2008) put it, "The regime said if it could not pay salaries, it would retrench. From non-payment of salaries to non-retention of jobs, labor unions' attention was diverted to safeguarding jobs." It was during this period that Ciroma was elected as the NLC president in 1984. Mass retrenchment of Nigerians in the public service of the federation was carried out with impunity. The breakdown of human rights of Nigerians due to the militarism of that regime led to the strengthening of key non-state unions. These unions and associations were primarily driven by the connection between sectoral agitations for a more qualitative living of their members and demands for more robust democratization process. For them, the former would be intelligible only as an integral part of the latter. Labor movements in this era increased their agitation and militancy and engaged the Buhari-Idiagbon regime in robust and intellectual confrontations.

2.3.3 Labor Unions under the Ibrahim Babangida junta 27 Aug 1985 - 4 Jan 1993

The Babangida era slowed the growth of labor unions and decimated what was left of them after the Buhari administration. According to Comrade Abdulwahed Omar, the immediate former NLC President, the Babangida regime brought the NLC the umbrella body for labor unions into serious setbacks and reverses (Soji-Eze, 2008). On the many forces arrayed against its survival, Omar said “10 years after its formation in February 1988, the congress was dissolved by the military junta of General Ibrahim Babangida, a dissolution that was to last for 10 months” (Soji-Eze, 2008). An administrator was appointed over the affairs of the NLC for 10 months before the election of Comrade Paschal Bafyau as the new NLC helmsman. As Iyayi (2008) noted, “a radical wing of the Nigerian Labor Congress, led by Mallam Ciroma, was in control of labor affairs when Babangida came to power. Well-informed about the role of Labor in pre- and post-independent Nigeria, Babangida overall strategy was to replace the radical wing with a moderate faction. By 1988, there was a massive infiltration of the Union. A group led by Shamang, was used to cause schism within the NLC. Comrade Pascal Bafyau, leader of the Railways Union, became the president of the Congress. As Iyayi (2008) argues, Comrade Paschal Bafyau was very close to the General; indeed several of the Congress’ policy somersaults both on labor union and political matters, before and after June 12 annulment, could be traced to Bafyau’s extensive informal networks with the military regime. Enumerating the missteps the NLC took under Bafyau, Iyayi (2008) noted that some of Labor’s political options were bizarre. Despite the romance of NLC with the military junta, there were still then pockets of resistance against the military government among top hierarchy of the labour movement. For instance to Ali Ciroma, the SAP project was the mother of all evils that the Babangida junta imposed on Nigeria, where dissident voices like labor unions and the NLC were clamped down, arrested and muzzled by the military president (Komolafe, 2008).

2.3.4 Labor unions Under General Abacha - 17 Nov 1993 – 8Jun1998

The military junta headed by General Sani Abacha, like its predecessors, assaulted organized labour in Nigeria. In 1994, NLC was dissolved and placed under a sole administrator for four years (Komolafe, 2008). Abacha was not prepared to put up with the threat of a vibrant, virile, and vocal NLC and labor, forces that could threaten his political ambition. Abacha was very ruthless to Unions. A total ban was placed on all political and labor activity. In July 1994, two key union leaders of oil and gas workers, Kokori and Dabibi led their unions, the National Union of Petroleum and Natural Gas Workers (NUPENG) as well as Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), respectively on a strike to demand some political concessions. General Abacha moved quickly to suppress the strike, emasculating the labor movement by replacing the leaders of the militant oil unions and NLC with state-appointed administrators (Graham, 1998; Snelling, 2002).

2.3.5 Labor Unions under General Abdulsalam Abubakar

The Abdulsalami regime was hastily put in place to avoid interregnum in Nigeria. The military Provisional Ruling Council (PRC) under Abubakar commuted the sentences of those accused in the alleged coup during the Abacha regime and released almost all known civilian political detainees. Two top union leaders, Frank Kokori and Milton Dabibi, who had been detained without trial under Abacha, along with many labor officials, were released (Snelling, 2002). It was also during this regime, that the NLC was de-proscribed and the ban on political, labor and other associational activities was lifted.

2.3.6 Labor Unions 29 May 1999 – Date

Following the return to civilian rule under President Obasanjo in 1999, labor unions staged several protest and number of general strikes from 2000 to date which on several occasions brought the country to a standstill. The strike forced the government to abandon an attempt to increase fuel prices (Alubo, 2007). Following the arrest of NLC leader Adams Oshiomhole, the government showed strong willingness not to give in to union pressure (Snelling, 2002). To further put labor in disarray, the Obasanjo government introduced measures to create more central labor organizations (Igbokwe, 2003; Iyayi, 2008). Now the Trade Union Congress (TUC) has been empowered as a Labor Centre with Senior Staff Associations being affiliated to it. Also, membership of labor unions is no longer compulsory for workers as the new Trade Union (Amended) Act 2005 is built on the concept of voluntarism. All this was done by the Obasanjo administration to weaken labor, make it docile and divided internally so as not to be able to disrupt the ruling class or industrial relations system. However, like Iyayi noted (2008), the number of industrial unions now affiliated to the NLC has increased. The work of the NLC and labor unions in this regard is an example to the country of how unity can be maintained in the face of diverse, discriminatory and antagonistic policies of government.

It is important to say that labor unions in Nigeria are alive to the pursuit and realization of their objectives to their members. One of the tools used to force employers or a group of employers and even the state to accede to their demands or come to the bargaining table would be strikes. But incessant strikes have adverse effect on productivity and national development.

3. Methodology

The methodology adopted in the paper is essentially a content and observational analysis. The paper relied mostly on secondary data extracted from textbooks, journal articles, government publications, bulletins, and internet based

materials. These documentary materials are complimented and corroborated with the deductive interpretation

4. Theories of Labor Productivity and National Development

It is very common to see emphasis placed on labour productivity in both the public and private organizations and firms. Productivity can be defined as output per unit of input in a production process. Productivity is a matter of concern to government bodies, private firms, trade unions and other institutions not minding the disagreements over its conceptualization by different groups and individuals. Hence, discussing productivity at all levels is common because of the direct relationship between productivity and the standard of living of a people. In effect, productivity becomes the attainment of the highest level of performance with the lowest possible expenditure of resources. It represents the ratio of the quality and quantity of products to the resources utilized. The Nigerian Employers Consultative Association (NECA, 1991) observed that it is more common in productivity studies to see emphasis placed on labour productivity. By coincidence, at the National level, labour productivity translates to what is known as human productivity. Even though, other factor productivity exist, like capital labour productivity is the type of productivity that affects directly the purchasing power of the population since

$$\text{National Productivity} = \frac{\text{Gross National product}}{\text{Working Population}}$$

From this relation then, any factor that can hinder the Gross National product (the numerator) holding the working population constant, will definitely hinders National Productivity. One would expect such negative factor as industrial action to reduce the National Productivity or at least hinders the achievement of planned economic growth. Industrial actions emanate from trade disputes leading to work stoppages and making the economy to lose labour productivity in form of man-days lost. The Nigerian economy has suffered a lot from trade disputes in the last two decades due to the dominance of the public sector in the economy.

Such can also be said of other sectors of the economy like education, where the public sector dominates. Thus, the deregulation of the economy and such policies as privatization could be justified based on the negative impact of trade unions on national productivity in a public dominated economy.

It is therefore obvious from the above synopsis that productivity or real output in Nigeria may be faced with the problem of labour loss and wastes if the economy is left solely in the hand of the government (the public sector) or, if the issue of incessant work stoppages is not well addressed by the government. Trade dispute does not only affect productivity through labour loss alone. When there are incessant work stoppages, machines and other fixed and variable capitals are not fully utilized, thereby reducing the level of output and increasing average cost (Humphrey, 1991).

But what drives productivity? Levels and growth rates of productivity depend on many factors of which human capital – in essence, a skilled labour force - is just one, but an increasingly important one. This observation has attracted considerable recent attention not least because of the ability of policymakers to influence it through investment in education and training. With global, demographic and technological change, it has been argued that the link between human capital and productivity are now more important than ever (Bergheim, 2005; Leitch, 2005). Despite the consensus that human capital impacts on productivity, the extent and nature of the relationship remains unclear.

There are many definitions of human capital in the literature. However, one of the most useful and widely used is that by the OECD (2001), which states that human capital is the “knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being.” Hence, the knowledge and skills that a worker has – which can be acquired or added to from education and training – generates a stock of productive capital. Education, experience and abilities of an individual have an economic value for the individual, for employers and for the economy as a whole.

There are two main strands to the literature that attempt to link human capital to growth and productivity. The first is based on the seminal work of Robert Solow in 1956. Solow’s model is based on a production-function approach to the economy where output (Y) depends on inputs of capital (K) and labour (L) and exogenous technological advances. Solow shows that economic growth is driven by the improvement of productivity via technological advancement. Hence, improving the efficiency of labour, through a better skilled workforce, is an example of how growth can be generated within the Solow framework, although Solow does not specifically explain how the process of growth is determined.

The second strand is based on the new growth theories by Lucas (1988) and Romer (1986). These models emphasize the endogenous determination of growth rates which are determined within the model (and can thus be affected by government policies), instead of being driven by exogenous technical change. Human capital affects growth in at least two ways: increases in education and training have the potential to spillover to other individuals, making other workers more productive; and better educated and trained workers are more productive, have more knowledge and make better use of firms’ capital investments. The approach also emphasizes the higher rate of innovation that can be generated by having more educated workers generating new ideas.

There is consensus that improvements in human capital provide a boost to growth by making workers

more productive and/or more flexible.

4.1 The State, Industrial relations and Labour Productivity in Nigeria

Regulation of labour market through laws and enforcement mechanisms, and, establishing institutions of coordination and consultation in order to ensure economic growth and sustainability are perhaps the two most crucial of roles of the state in industrial relations. Indeed, by effectively playing these two roles the state limits the commodification of labour, thus ensures productive use of human capital, and, converts economic activity from being a purposeless pursuit of profit into an instrument that serves socially desirable goals of human development (Block 1994, Hay 2004). Obviously, these roles require a degree of, what might be called, state capacity, that is, the existence of resources- human and financial- to make and implement regulations, and the ability of independent decision making that would allow governments to formulate long term social and economic policies in accordance with the needs of their societies.

In many African countries, these conditions of effective involvement of the state in industrial relations have been, at least theoretically, present to some degree in the immediate aftermath of independence, when “much was permitted and something was possible” (Cooper 1996). This was not because of abundant resources that could be reserved for effective enforcement of labour regulations, but rather due to the initial role of the state in many African countries as the biggest employer (Roberts & Bellecombe 1967) who could pursue an exemplary industrial relations policy. Indeed before the 1980’s, that is, prior to the introduction of structural adjustment programmes across many African countries, some form of public employment (either in the public service or in state enterprises) was big and crucial enough to play a pattern setting role in industrial relations both in terms of wages and employment conditions (Fashoyin 1992).

The most important way in which the Nigerian state is involved in industrial relations, at least for now, is through regulation, enforcement and coordination. We can point out four important channels through which this occurs.

First, quite often the state acquires a crucial capacity for influencing industrial relations through minimum wage systems. Most African countries have a long tradition of minimum wages which in some cases were inherited from the colonial period or introduced shortly after the independence (Alby *et al* 2005).

Second, the state effectively retains the potential to control collective bargaining due to statutory recognition protocols. This is because quite often collective bargaining requires some form of authorization by labour ministries. For example, almost in all countries both trade unions and employers’ organizations must be officially recognized and registered by the state in order to engage in collective bargaining (Stirling 2011).

Third, increasingly state promote smooth functioning of collective bargaining mechanisms so as to avoid industrial conflict, and consequently during the last decade in many countries, like Tanzania, Nigeria and Kenya new dispute resolution mechanisms have been introduced which usually require involvement of labour ministries prior to bringing the cases before industrial courts (Mlimka 2010:60, Fajana 2010:16, Fashoyin 2010:7-8).

Finally, the role of the state in industrial relations can also be observed in the way in which Tripartism functions in Africa. During the last two decades tripartite commissions have played quite a prominent role in enactment of new legislations in different African countries.

The developing countries like Nigeria, as a result of their experience have had to intervene in industrial relations in the interest of the whole economy. However, as the state is the prime mover of the total social system, there is no argument as to whether it has a role to play or not (Ubeku, 1985).

5. Conclusion

Evolution and development of industrial relations in Nigeria is intricately tied to the history of political and economic development of the country. The contribution of workforce to the multi-faceted developments of Nigeria is quite evident when one examined strides made by the country socially and economically, and workers are instrumental to the series of progress made in almost a century. On the other hand, labor dissipates a lot of productive time in fighting successive Nigerian governments about host of policies and programs that affect workers and the entire nation. On account of disruptive effects of industrial conflicts on all facets of societal development; national productivity is predicated on harmonious industrial relations in the country.

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