

Trade Union Responses to Neo-Liberalism in Nigeria

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Abstract

This paper examines trade union responses to neo-liberal policies in Nigeria between 1985 and 1998. The paper relied on qualitative data sourced from documentaries, journals and dailies. The paper revealed that under the period studied, the neo-liberal policies of privatization, deregulation, devaluation and liberalization of trade posed immense challenges for Unions which resulted to loss of membership, decline in union dues, erosion of union bargaining power, loss of union operational capacity, proscriptions of unions, and arrest of union's leaders. To cope with the challenges posed by neo-liberalism, trade unions in Nigeria engaged in the training of union officers, recruiting new members, creation of jobs, influencing government policies, and negotiating for improved wages and working conditions. The study concludes with an overview of the study.

Keywords: Privatization, devaluation, trade unions, deregulation, proscriptions.

Introduction

Neo-liberalism as a driving force of economic globalization advocates for liberalization – a situation where government imposed restrictions are removed on movement between countries with a view to create an open, borderless world economy (Sanders, 1996). The outcome of this is the creation of a global market for capital, goods and services that is largely indifferent to national borders and government influence.

Supported by the World Bank, International Monetary Fund (IMF), and World Trade Organization (WTO), the neo liberal policies of liberalization, deregulation and privatization were introduced into Nigeria through that Structural Adjustment Programme (SAP) in 1986 with the aim to alleviate Nigeria from the economic Crisis faced(Onyeonoru, 2001; Ootobo, 1998; Onimode, 1998).

According to the world donors, the economic crisis in Nigeria was due to structural distortions in the economy resulting from over- valued exchange rates, huge public sector, poor investment management and low productivity of workers, import substitution, industrialization and its policy environment, over extended inefficient and discriminatory credit policies in the private sector among others (Beckman, 1990; Zeleza, 1997; Onimode, 1989; Adesina, 1991; Bangura, 1989). Hence, there is the need for SAP to restructure the economy in Nigeria. This paper argues, that the policies of neo- liberalism (SAP) under the military governments of Generals Babangida and Abacha were inherently hostile to the trade union movements such that it hampered the development of organized labour and that the neo-liberal policies informed trade union responses to SAP in Nigeria.

Conceptualization of Neo-liberalism

Neo -liberalism developed from classical liberalism (Sander, 1996). It is an economic doctrine that supports the rule of market forces as the engine of economic growth (Isamah 1998). Sakakibara (1997) captures neo-liberalism in this way:

the basic message of this doctrine is very simple. If you loosen the “market” from the yoke of government regulation an if macroeconomic policies are properly conducted by the authorities, the economy will grow steadily, reflecting the universal power of the market

As such, neo-liberals propagate the idea to remove government imposed restriction on movements between countries of monies, goods, services and capital in order to create an “open borderless” world economy. To achieve this, neo-liberals have supported the removal of government control on prices, wages and foreign exchange rates (Kwasi, 2000; Adesina, 2001; Onyeonoru, 2001). Furthermore, neo-liberals have argued that assets owned by the state should be contracted. This has been done through the process of privatization. An important point to note here is that neo- liberals believe that state intervention has been the main reasons responsible for the retarding economic development in the Third World. Therefore, to avert these economic problems, there is the need to unleash the market forces. In this sense neo- liberalism is against state intervention. We turn on to use this perspective in explaining the impact of SAP on trade union and how it hindered the development of trade unions in Nigeria under the Babangida and Abacha regimes.

Impact of SAP on Trade Unions during the Babangida and Abacha Regimes

In Nigeria, the neo-liberal process commenced formally with the introduction of the Structural Adjustment Programme (SAP) in 1986 by General Ibrahim Babangida regime as a means of containing the economic crisis faced by the country. As such, the government started implementing programme of economic reforms aimed at reducing the state involvement in the economy; increasing the role of private sector and the market, liberalizing the economy and integrating it more fully into the global market. The SAP

policies pursued in Nigeria include fiscal and monetary restraints, exchange rate dismantling/devaluation of the naira, general trade liberalization, tariff dismantling, divestiture of state-owned enterprise, liquidity squeeze, private sector promotion and export promotion based on comparative advantages, the adoption of a coherent and consistent external debt management programme and review of industrial policies (Adewumi, 2001; Onimode, 1989; Otobo, 1998; Onyeonuru 2001; Bangura, 1991). These policies legitimated the repression of Trade Unions and union activities, which hindered the development of Trade Unions in Nigeria.

The implementation of privatization in Nigeria engendered mass retrenchment of workers in the public sector which subsequently led to gross decline in union membership. For instance, record of Nigerian union of railway men show that 19,558 workers were retrenched between 1986 and 1993 while another 5,000 were retired in the same period (Yesufu, 2000; NLC 1994). The same experience was recorded in all parastatals and public corporations in Nigeria given that privatization changed the pattern of employment in Nigeria. For example, state participation in the economy was drastically curtailed and government enterprises moved into private hands; the removal of protectionist barriers on imports allowed for free flow of capital, goods and services, which increased the rate of competition at the expense of local industries; the removal of tariff cheapened raw materials in Nigeria (Adewunmi, 2001, Adesina, 2000) thereby reducing profit from exports and increasing expenditure on imports, and in many cases leading to the demise of local industries. As such, workers were retrenched in the public sector, and downsized in the private sector. In the private sector, workers were hired as casual or contract labourers. Casual labour describes the practice of hiring labour spontaneously for short-term period (Shiomole, 2001). This types of labour engagement does not requires an elaborate contract in which employers' liabilities and obligations are spelt out; the requirement is for the company to open its door to willing hands; training is not usually needed; wages paid are low and are usually calculated on a daily basis; fringe benefits of any sort are not given to casual workers who can be sacked without notice, and are not covered by union protection.

On the other hand, contract labour is distinguished from casual labour because it sources for personnel through intermediaries such as contractors, sub-contractors, gang leaders or other agents who stand between workers and the principal employer who benefits from his labour. These two forms of labour increased during the period under review as a result of mass movement of the unemployed into the informal sector. This deprived workers of union protection as they cannot be members of any trade union (Fashoyin, 1994; Oshimole, 2001; Onimode, 1998). The idea here is to weaken trade union and to erode the application of collective bargaining in the determination of the compensation structure. Therefore, workers are rendered vulnerable to hazards.

The depletion of Union membership implies reduction in Union dues. This reduced the bargaining power of trade union because reduced economic strength affected the political influence of unions such that unions under the military regimes had to bargain from a weak position. For instance, unions often seek accommodation with the military regime rather than vigorously pursuing its course (Adesina, 2000).

SAP also led to the devaluation of the naira over the years; "from US\$1:06 in 1983 to 1:45 in 1987, between 7 and 9.8:US\$1 in years 1988-1991, between 18 and 21.9US\$1 in the years 1992-1993" (Otobo, 1998). This affected workers standard of living and subsequently union development.

In attempt to entrench SAP effectively in Nigeria, trade union leaders were interrogated, arrested, detained and jailed without trial – deprivation of their fundamental human right; senior staff were prevented from unionizing; trade unions were proscribed and sole Administrators of Union affairs appointed to manage the affairs of the Central Labour Organization (Otobo, 1992, 1998; Adewunmi, 1999; Onimode, 1998). For example,

in 1988, the Nigeria Labour Congress (NLC) was proscribed by the Babangida regime and appointed an Administrator to run the congress; virtually the same fate befell the Academic Staff Union of Universities (ASUU) in 1989 and 1992. The National Association of Nigerian Student (NANS) was not spared as the union was dissolved in 1989. Under the Abacha regime, the NLC, the National Union of Petroleum and Natural Gas workers of Nigeria (NUPENG), and Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) were proscribed in 1994; ASUU was also proscribed under the same regime in 1996 (Adesina, 2000; Onyeonoru, 2001).

It is important to understand the background of the proscriptions and its impact. In the case of ASUU, each time, it was proscribed by the military regimes of Babangida and Abacha it was as a result of sustained industrial dispute over erosion of university autonomy by the military rulers, poor funding in the face of gross conditions of service of universities staff (Onyeonoru, 1996) which was as a result of SAP policies being implemented. This had adverse impact on ASUU. For instance, Jega (1994) reported that between 1988 and 1990, not less than 1000 academics left the services of the Nigerian universities in the form of “brain drain” due to the proscription of ASUU by General Babangida in 1988 and series of abuses within the system that followed. A resultant effect of this was a significant decline in ASSU membership—needless to say that the educational standard in Nigeria declined.

During the various cases of industrial action by ASUU, lasting from two to seven month, the government response was usually harsh. For example, during the industrial action of March to October 1996, the government instructed the University Authorities to stop salaries of academics until the strike was suspended. Indeed, lecturer’s salaries were seized; and compelled to sign a register indicating willingness to return to work or get sacked; they were also told to vacate their official residence (Onyeonoru, 2001). Thus, ASUU members were considerably affected as their salaries were stopped; many were rendered homeless and this posed great threat to their lives, family and property aside the arrest and detention of several national and local branch leaders (Onyeonoru, 2001; Adesina, 2000). Despite the ban on ASUU, the union adopted new name-Academics Staff of Nigerian Universities. The idea behind this was that the government can ban a union but not the academic staff as a collectivity. This sustained the union at the level of each University but not as national body. Thus, funds were collected informally from members of the unions in the local branches and sent to the national union for running the national operations.

The response of the military regime to trade Unions may be conveniently limited to the deployment of its legislative power. In this wise, we will examine the four main decrees on trade unions in 1996 which as would be shown, retarded the development of trade unions in Nigeria. These are:

1. Decree No 4 of 5th January, 1996
2. Decree No. 24 of 21st August , 1996
3. Decrees No. 26 of 16th October, 1996
4. Decree No 29 of 23rd October, 1996 (FGN, 1996)

Decrees 4

The signing of decree 4 into law on January 5th, 1996, legally gave way for the rationalization of 41 labour unions to 29 through merger and a clearer demarcation of the jurisdiction of each of the new unions. In essence, the procedure for merger between trade unions was simplified by Decrees 4 – thereby amending the provisions of the 1973 Trade Union Act. Though, the restructuring of labour unions was the objective stated, the two procedures for affiliation, participation and funding to define new decrees went beyond this. The decree went further to define a new procedure, albeit ulterior motivated.

For instance, under the Trade Union Act of 1973, for Unions to merge, the representatives of merging unions are to meet separately and vote on the merger proposal. On the other hand, Decree 4 only requires a “resolution” signed by the President or Secretary of merging Unions {S.27(1) (a)}, after which the resolution is submitted to the registrar trade unions along with “The rules proposed for the merging unions and the terms of the merger” {“S.27 (1)(b)}. As soon as there is compliance to these provisions, “The registrar shall forthwith register the merged unions” {S.27(3)} FGN, 1996, Ahmed, 1996).

An implication of this decree is that two officers from the merging Unions can decide on a merger without consulting their member. This undermines the democratic principles of Trade Unions.

Furthermore, the decree amended section 33 of the original Trade Union Act by adding a new subsection 7 which disqualified non-members of unions from contesting any elective post of the NLC or the Trade Union affiliated to it. This was achieved with the definition given a “member of Trade Union” as “a card carrying members of a Union Officials such as General Secretaries etc were prevented from contesting any elective post into the NLC.

This full-time Union Officials have played unique roles in the elective positions, of NLC, holding top elective positions as a result of their confidence, experience, connections and material positions. As such, they pose great opposition to the Abacha regime. It was this category of unionist the decree aimed at removing from the most important position in the NLC. Thus, the goal of Decree 4, was to restructure the trade union movement in such a way that it would fall in line with the regimes ideology. Needless to say that this hindered trade union development in Nigeria.

The response of the full time union official to the decree was to distinguish between General Sani Abacha and his minister of labour, Uba Ahmed. They argued that the decree was a personal instrument used by the minister to stop them from contesting elective post in order to field his candidates and demanded that the provision of decree 4 be reverted. This never came to be. The response of the regime was the signing of decree 26 into law on 16 October 1996.

Decree 26

Decree 26 made the restriction of full officers more difficult as well as adding new restrictive a clauses. The provision of decree 26 are as follows:

1. Whenever a collective bargaining machinery is put in place, a ‘No strike’ clause is mandatory.
2. When unions are on strike, deducting check off dues and remittances to the union by the employer would be terminated (S. 16 A (b):S.17 (4).
3. There was a further restriction on the definition of non-members of trade union as those who do not pay union dues, Decree 26 extended the definition to also include these who are not “normally engaged in the trade or industry which the trade union represent.
4. It became a criminal offence for a non “card-carrying member of any trade union to participate and assume a functional role in any trade union to participate and assume a functional role in any of the policy or decision making organs and committees, or formations, within the union or the central labour organization except if the function is strictly limited to administrative duties only “(S.33 (8)): Anybody found guilty is to pay a fine of ~100,000, five years imprisonment or both and the union de-registered (S.33 (a).
5. The power of the high court to hear appeals against a refusal to register union or cancellation of union registration as contained in sections 5&7 of the 1973 Trade Union act was removed, and the minister of labour replaced the high court (FGN, 1996).

Decrees 29 and 24

On the 23rd of October 1996, Decree 29 was signed into law. The decree prevented all Trade Unions in Nigeria from affiliating with any international labour organization except and application is submitted to the minister of labour, and approved by the provisional ruling Council (S.3(1c)). However, the organizations of Trade Unions for West Africa and Organization of Africa Trade Union Unity (OATUU) were exempted from the ban by the Decree. Contravening Decree 29 attracts not only a fine of ~100,000 or a five year jail sentence, or both: both the union certificate will also be revoked.

In response to the industrial action which the ASUU embarked upon in 1992, the Babangida regime signed Decree 24 into law on 21st August 1992. The strike was because the federal government failed to honour the agreement it reached with ASUU. Inclusive in the agreement are funding of universities, conditions of employment and salaries. The decree banned the National Executive Council and the Branch Executive Committee of all Unions in Nigeria universities and disallowed them from being involved in any trade union activities in Nigeria. Further, the two union organs were dissolved and the union officials removal (S.2(2)). In addition to the dissolution, proscription and prohibition of unions and her officials, a sub section was added to the decree stating that the punishment for those who act contrary to the decree attracts a fine of ~ 100,00, 3 year jail sentence, or both (GFN, 1996, Adesina, 2000).

Responses of Trade Unions to the neo liberal policies under the Military regimes of Babangida and Abacha

The response of the Nigeria Trade Union movement during the period under discourse can be categorized into two: first trying to influence government policies to be less unfriendly to union members” and second, adapting to the new environment created by the policies implemented by the military regime.

Influencing Government Policies

The Nigeria trade union movement response to influencing government policies took the forms of negotiations, conference, lobbying, presentation of memoranda resolution, seminars workshop, strikes etc. The most used of the instrument is ‘strike’ for instance; ASUU went on strike in 1988, 1992, and 1996. While the strikes were on, negotiation between ASUU and the state continued with ASUU because stating clearly its positions in disfavor of the introduction of SAP because its elements determine the well-being of academics. In the same vein, other unions affiliated to the NLC went on strike at different times, signifying their grievance over the neo-liberal policies being implemented under the regimes. In this wise, we saw the NCL calling a strikes which is called off within twenty four hours into the strike. However, the unions of oil workers and their senior staff counterpart continued with the strike campaign.(Otobo, 1998)

Conferences, seminars, rallies workshops, and symposia were held across the country by unions to create awareness in the populace about the inherent evils of SAP. In addition to this, the media such as radio, television and dailies were used in conveying information across to the people. For example, Onyeonoru (2001) reported that NANS mobilized vulnerable groups to carry out riots in responses to the regime. According to him, NANS went as far as printing leaflets in vernacular, which they distributed to all and sundry as part of the propaganda strategy.

Another response of the trade union in an attempt to influence government policies was that unions became corporates (Adesina, 2000: Lakemfa, 1997). In this sense, they played along with the government so as to get favour from the regime. The selection of Paschal Bafyau as the president of the NLC he was the only one acceptable to the regime of Ibrahim Babangida. In the same vein, trade union response to decree 4 took the corporatists

style. As argued previously, the trade union full-time officials distinguished between General Abacha and the minister of labour, Uba Ahmed and argued that the decree was a personal attempt by the minister to prevent full time union officials from contesting elective positions so as to push his own candidate. The idea here was to be diplomatic in order to get favour from Abacha. In this sense, the union seemed to have showed commitment or allegiance to the government. In this regard. It can be said that the NLC and other Unions affiliated to it took a “Conservative” position. This was not the case with the white collar Unions like ASSU. In the case of ASSU, it contested vigorously the policy of the government and insisted on being independent.

Adapting to the New Environment attracting new members

Due to mass decline in union membership resulting from the implementation of neo-liberal reforms, unions sought to counter the erosion in membership. Thus, unions intensified their efforts to organized self-employed workers and others in the informal sector. In addition to this, there was concerted effort to unionize senior staff and professional workers. The unionizing of senior staff and professional personnel would be significant for the continuity of NLC and its affiliated union. This is because the number of union members will increase; and due to higher salaries earned by senior staff, their financial contribution through union dues can be particularly valued .

The success of the NLC in this regard is commendable but other factors worked in favour of the unionization of senior staff factors such as retrenchment in the public sector, downsizing in the private sector and the notion that wages and other labour costs should be restrained to make Nigeria attractive to foreign investment same the senior staff vulnerable. As such many senior staff realized that they are more secure under a legally –binding collective agreement which allows them adequate access to negotiation.

Training Union Officers

The NLC realized the importance of education in union struggle. As such, it helped build the capacity of its officer and union activist. The need for this was to enable the NLC produce officials and officers that can withstand the intellectual debates of the various policies introduced by the state. To achieve this union officials were sent on trade union course, seminars, and training workshops. While many union officers have gained form such trading, the percentage of those who benefited is still insignificant. This may be due to the fact that there are few tertiary institutions having trade union programmes. For instance, University of Ibadan is one of such tertiary institution having programmes in trade unionism. Beside, the programme is only of diploma standard. The NLC can improve this area if they establish a union college. This proved successful in Ghana (Kwasi, 2000).

Negotiations for improved wages and working conditions

The economic reforms of neo-liberalism brought restraints on wages and salaries of workers in Nigeria during the period under discourse. The reforms led to an alliance between government and private business in opposition to demands for wage increase by organized labour. In this wise, the NLC faced the employers and government simultaneously. With negotiations, the trade unions achieved some of their demands.

Conclusion

We have tried to demonstrate that the neo-liberal policies implemented under the SAP programme in Nigeria by Generals Ibrahim Babangida and Sani Abacha administrations, in an attempt to alleviate the economic problems that bedeviled Nigeria the reform was inherently hostile to the trade union movement. As a result of the economic policies, the employment pattern changed, and this impacted negatively on the unions. Retrenchment in

the public sector, downsizing in the private sector increase in casual and contract labour-all these led to decline in workers standard of living, rise in unemployment rate, union membership declined, union dues deteriorated, growing informalization of the economy, the toughening of collective bargaining as a result of unfavourable pressures on job security and employees welfare. For example through deregulation and other institutional realignments, the adoption of concession bargaining, arrest, detention and incarceration of union leaders often without trials, proscriptions of unions, and the appointment of Sole Administrators to take over union affairs.

Decrees, 4 26, 29 and 24 passed into law by the Abacha regime made matter worse. Full-time union officers were barred from affiliating with any International Labour Organization, the national executive committees of all the union in Nigeria Universities were banned, those who contravened the law were liable to a fine of ~100,000 a sentence to 5 years imprisonment, or both. All these hindered the development of trade union in Nigeria.

However, Nigeria trade union responded to these developments in divergent ways. Among these was intensifying the education of union members, developing policies to organize informal sector workers, casual; workers and unionization of senior staff, organizing rallies, conferences, symposia, public lectures, negotiations and strike. All these initiatives mentioned achieved varying degrees of success in Nigeria. But overall the development of trade unions was arrested or curtailed as a result of the harsh and unfriendly policies that emanated from government quarter during the period examined.

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