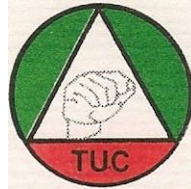


# **THE NEW MINIMUM WAGE: STRATEGIES FOR EFFECTIVE PUBLIC/PRIVATE SECTOR MANAGEMENT**

**BY**



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## PROTOCOLS!

**“Ultimately, the impact and usefulness of a minimum wage policy depends on whether minimum wages are paid. This, in turn, depends on the effectiveness of the enforcement mechanism; Penalties for violators, adequate compensation for workers whose rights have been breached and suitable resourcing of the enforcement authority, are all crucial factors. But the active involvement of social partners in both the design and operation of minimum wage enforcement regimes is essential to enhance their impact.” - International Labour Organisation (ILO)<sup>1</sup>**

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### 1. INTRODUCTION

Let me start by thanking the Rivers State Branch of the Chartered Institute of Personnel Management of Nigeria (CIPMN) for organising this event and for giving us the opportunity to share our thoughts on how to make things better in Nigeria and Rivers State. The theme for this year’s event is not just commendatory but also timely. This is because a post-Recession Economy is a fragile economy which still requires a lot of attention in view of the enormous challenges ahead. It is as delicate as the handling of a patient showing signs of recovery from a very serious illness. You will agree with me that if the patient is not properly taken care of his/her situation may relapse even into a worse condition.

Let me state that I am delighted to be here today especially given the importance Organised Labour places on the subject matter of the title of the paper I was asked to present. It suggests that the Institute and by extension Human Resources Practitioners in Rivers State and Nigeria seem ready to take proactive steps at ensuring that the new Minimum wage is implemented seamlessly by employers in both the private and public sectors including various state governments without the usual crises that accompany implementation of minimum wage in Nigeria. We view it as a right step aimed at sustaining the existing cordial relationship between the various employers of labour and the labour unions. On the part of organised labour and more specifically, the Rivers State Council of Trade Union Congress of Nigeria (TUC), I want to pledge our determination to sustain and improve upon our existing cordial relationship. I also want to state that we share the same passion for Economic Recovery of Rivers State, Nigeria and Nigerians.

You may recall that, just last week the Rivers State Council of Trade Union Congress of Nigeria (TUC) organised a workshop in collaboration with the Federal Ministry of Labour and Productivity Port-Harcourt on **“Contemporary Issues In Labour-Management Relations: Implications For Industrial Output, Investment And The Nigerian Economy”**, which was aimed at sharing practical strategies that will develop and sustain a peaceful and harmonious industrial relations environment in the Niger Delta States and our dear country through the identification of emerging issues and their challenges, application of social dialogue and effective dispute resolution practices, promotion of co-operation and partnership among the industrial relation actors and mutual respect for their rights and responsibilities. Let me use this opportunity to thank members of the Chartered Institute of Personnel Management of Nigeria (CIPMN) who as resource persons and participants made the workshop very successful. It is a true demonstration of the burgeoning partnership between your institute and organised labour in Rivers State.

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<sup>1</sup> “Update on minimum wage developments” ILO Committee on Employment and Social Policy Geneva, March 2009 page 9

Kindly permit me at this stage to go straight into the meat of today's discourse, which is on the new minimum wage. **Let me state that I will attempt to focus on Minimum Wage generally with emphasis on how the new minimum wage could be implemented and managed seamlessly in the interest of our post-recession economy and industrial peace and harmony in Nigeria and each state of the Federation.**

Let me however observe that "Minimum wage" have been the subject of several serious discourse and practiced by some countries of the world even before the International labour Organisation (ILO) was first created. It was

**"first proposed as a way to control the proliferation of sweat shops in manufacturing industries. The sweat shops employed large numbers of women and young workers, paying them what were considered to be substandard wages. The sweatshop owners were thought to have unfair bargaining power over their workers, and a minimum wage was proposed as a means to make them pay fairly."**<sup>2</sup>

It is therefore no doubt an important step in addressing the right to human dignity at the workplace.

Presently there is now legislation or binding collective bargaining regarding minimum wage in more than 90% of all countries <sup>3</sup>. **We can therefore say without fear of contradiction that Minimum wage is a universal practice.**

## **2. NATURE AND HISTORY OF MINIMUM WAGE**

Before I continue I would like to make some attempts at explaining what is 'Minimum Wage' as well as throwing some light on its nature and origin. This in my view is necessary for us to appreciate the urgency for its implementation and the need for its proper management.

Minimum wage may be defined as the **"rate of pay fixed either by a collective bargaining agreement or by governmental enactment as the lowest wage payable to specified categories of employees"**<sup>4</sup>. Let me observe that although the term minimum wage is not defined in any of the various ILO instruments dealing with the manner in which minimum wages are determined, however in the 1992 General Survey of the reports relating to Convention No. 131 on Minimum Wage Fixing, the Committee of Experts<sup>5</sup> explained that:

**"minimum wage may be understood to mean the minimum sum payable to a worker for work performed or services rendered, within a given period, whether calculated on the basis of time or output, which may not be reduced either by individual or collective agreement, which is guaranteed by law and which may be fixed in such a way as to cover the minimum needs of the worker and his/her family, in the light of national economic and social conditions."**

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<sup>2</sup> "Minimum Wage". Wikipedia

<sup>3</sup> ILO 2006: Minimum wages policy .Page 1

<sup>4</sup> Microsoft® Encarta® 2009.

<sup>5</sup>.ILC, 79th Session, 1992, Report III (Part 4B), para. 42, p. 13

Earlier in 1967 the ILO<sup>6</sup> meeting of experts on Minimum wage fixing and related problems had explained that the concept of the minimum wage contains three basic ideas:

(a) The minimum wage is the wage considered sufficient to satisfy the vital necessities of food, clothing, housing, education and recreation of the worker, taking into account the economic and cultural development of each country ;

(b) The minimum wage represents the lowest level of remuneration permitted, in law or fact, whatever the method of remuneration or the qualification of the worker;

(c) The minimum wage is the wage which in each country has the force of law and which is enforceable under threat of penal or other appropriate sanctions.

It further notes that Minimum wages fixed by collective agreements made binding by public authorities are included in above explanation.

Essentially according to ILO,

**“ the establishment of a minimum wage system is often portrayed as a means for ensuring that workers (and in some cases, their families) will receive a basic minimum which will enable them to meet their needs (and those of their families); hence the frequent use of the term ‘minimum living wage’. Efforts to implement such a concept imply an attitude or a policy which aims at improving the material situation of workers and guaranteeing them a basic minimum standard of living which is compatible with human dignity or is sufficient to cover the basic needs of workers. Such a policy is in line with the International Covenant on Economic, Social and Cultural Rights as regards every person’s right to receive remuneration equivalent at least to a wage which makes it possible for workers and their families to lead a decent life.” International Labour Organisation (ILO)<sup>7</sup>**

Let me also mention that the practice of Minimum wage has been on even before the First World War. Commenting on the origin of the practice of Minimum Wage, The Microsoft Encarta observed that:

**“The first minimum wage law was enacted by the government of New Zealand in 1894. A subsequent law enacted by Victoria State, Australia, in 1896 established wage boards on which workers and employers were represented in equal numbers, with power to fix minimum wages enforceable on the employer. This innovative law served as the model for the British Trade Boards Act of 1909. In the U.S., Massachusetts enacted the earliest minimum wage law in 1912, and eight other states followed suit the next year”<sup>8</sup>**

It is also important to note however, that although the practice of National Minimum Wage is not new as aforementioned, the duration, details and nature of the practice may vary from country to country. However there seem to be a revival of sort for the practice of applying a national minimum wage since

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<sup>6</sup> Report of the Meeting of Experts on Minimum Wage Fixing and Related Problems, with Special Reference to Developing Countries, 1967, GB.170, para. 100, pp. 20-21.

<sup>7</sup> General Survey of the reports on the Minimum Wage fixing Machinery Convention (No. 26), and Recommendation (No. 30), 1928; the Minimum Wage Fixing Machinery (Agriculture) Convention (No. 99), and Recommendation (No. 89), 1951; and the Minimum Wage Fixing Convention (No. 131), and Recommendation (No. 135), 1970, ILC, 79th Session, 1992, Report III (Part 4B), paras. 32-33, p. 10.

<sup>8</sup> “Minimum Wage” .Microsoft ® Encarta ® 2009.

the early 1970s. To this end, M. Dollé (1999) and Metcalf (1999<sup>9</sup>) observed that the United States and France are among the countries with the longest practice in applying a single national minimum wage. In contrast, in the United Kingdom, a national minimum wage was introduced in April 1999.

The case of the United Kingdom is perhaps most symbolic of the revival of national minimum wages in developed countries especially in view of the fact that the United Kingdom which:

**“after dismantling its system of industry level minimum wages in the 1980s, adopted a new minimum wage with national coverage in 1999. In 2000, Ireland also introduced a national minimum wage, for the first time in its history. Developing countries, too, have regularly increased their minimum wages to provide social protection to vulnerable and non-organized categories of workers. Large countries, such as Argentina, Brazil, China and South Africa, have been among the main drivers of this upward trend. In China, for example, new regulations on minimum wages were issued in 2004 in the face of growing concerns about the widening of wage inequality. In South Africa, minimum wage floors were introduced in 2002 to support the wages of millions of low-paid workers in different economic sectors. In Brazil and Argentina, the minimum wage policy has been revitalized to help reverse the decline in the wages of low-paid workers since the early 2000s”<sup>10</sup>**

Here in Nigeria, arising mainly from the fact that the government is both the regulator and the largest employer of labour, the actions of government in the area of wage determination are usually very fundamental and hence the history of minimum wage in Nigeria cannot be separated from the history of public service wage negotiations and increment, which dates back to the colonial era and the setting up of the Hunts Commission in 1934( **Please see the table1 below for a list of such commissions and committees.**). For instance as early as 1943, the wage fixing and registration ordinance (no.40 of 1943) had come into force establishing wage boards modelled after those of the United Kingdom. Also in 1946, the British Colonial Secretary, issued a circular letter to all heads of government departments requesting them to take immediate action to ensure that proper wages and conditions of labour were observed in all contracts entered into with the assistance from the government. This was the beginning of the ‘fair wage clause’ in government contracts. Off course, fairness of wages has to be judged with reference to government’s own wages and this is a further confirmation that the wages paid by the government has a more far reaching implication than those paid in the private sector.

It is important to note that the 1943 wage fixing and registration ordinance was however replaced in 1957 with the Wages Board Ordinance (also based on the United Kingdom Wages Council legislation) because the procedures for fixing minimum wages under the existing ordinances were considered to be clumsy and subject to basic defects.

In the post-independence Nigeria, the Federal Government in 1973 enacted the Wages Board and Industrial Council Act which empowered the Minister of Labour to set up machinery for fixing minimum wages and conditions of service in both private and public sectors of the economy. However it was in 1981 that the minimum Wage in Nigeria was first passed into law, giving birth to the National Minimum Wage Act, of 1981 (Official Gazette, 1981, A53-57) which prescribed a minimum wage of N125 per month, and is the principal Act on Minimum wage in Nigeria till date. It was revised after 10 years in 1990 to

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<sup>9</sup> M. Dollé: Le salaire minimum en France: que nous apprennent les expériences étrangères? , in Droit social, Jun. 1999, pp. 547-552 and D. Metcalf: The British national minimum wage , in British Journal of Industrial Relations, Vol. 37, 1999, pp. 171-201.

<sup>10</sup> ILO: Global Wage Report 2008/09 (Geneva, 2008), p. 35.

N250 per month and revised again in 2000 leading to the amendment of the Principal Act by the National Minimum Wage (Amendment) Act 2000 Laws of the Federation of Nigeria which prescribed a national minimum wage of N 5,500 per month. The 2000 Minimum Wage Amendment Act is in the process of being further amended in 2010 based on the recommendations of the Justice Alfa Belgore led Tripartite Committee on National Minimum Wage.

<b>Table 1<sup>11</sup>: Civil Service Reform and Wage Commissions in Nigeria, 1934-2010</b>	<b>Year</b>
Hunts Commission	1934
Bridges Committee of Enquiry	1941
Tudor Davies Commission	1945
Harragin Commission	1946
Miller Commission	1947
Hansbury-Gorsuch Commission	1954/55
Newns Commission, the Elwood Grading Team	1956
Mbanefo Commission	1959
Morgan Commission	1963
Eldwood Commission	1966
Adebo Commission	1970/1971
Udoji Commission	1972
The Cookey Commission	1981
Dotun Phillips Panel	1985
The Fatai Williams Committee	1990
The Ayida Panel Review	1994
The Phillip Asiodu Committee	1998/1999
Ernest Shonekan Committee	2000
Justice Alfa Belgore Committee	2009/2010

The National minimum wage rate in Nigeria is applied to every worker (any member of the civil service of the Federation or of a State or Local Government or any individual who has entered into or works under a contract for manual labour, clerical work or otherwise) with the exception of those in the excluded categories as expressly stated in the extant Minimum Wage law. Let me add quickly that here in Nigeria, the concept of minimum wage means minimum monthly salaries payable to workers as provided by the subsisting minimum wage legislation. Let me also add that here in Nigeria, minimum wages may also be as determined in collective agreements, provided always that if the organisation to which it applies has not been excluded from the scope of the National Minimum Wages Act such minimum wage shall not be lower than the national minimum wage in the extant minimum wage law

Let me also inform that the Extant Minimum Wage Act provides that an employer, who fails to pay a worker at least the national minimum wage rate, shall be liable to a fine not exceeding N 100. If the offence continues, the employer shall be liable to a fine not exceeding N 10 for each day the offence continues. In addition to the fine, the court may order that an employer pay the outstanding amount that

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<sup>11</sup> Please take note that the detailed discussion on each of these committees/panel listed in the table is beyond the scope of this paper.

ought to have been paid to the Worker, had they been paid the national minimum wage rate. These penalties have been described variously as very small and not capable of discouraging non-compliance<sup>12</sup>.

It is also important to note that the Minimum Wage Act provides that authorised government official and labour officers may carry out inspections of employment premises in order to determine whether national minimum wage rates have been paid.

Below is a list of some of the laws dealing with wages in Nigeria.

**TABLE 2: WAGE ACTS AND DECREES STILL IN FORCE IN NIGERIA**

Name	Year enacted	Volume in LFN 1990	Chapter, Decree or Act No
National Minimum Wage Act	1981 <sup>13</sup>		6
Statutory Corporations (Salaries and Allowances, Etc.) Act	1990	XXII	420
Wages Boards and Industrial Councils Act	1990	XXIV	466
National Minimum Wage Act	1990	XVI	267
National Salaries, Incomes and Wages Commission Decree	1993		99
National Salaries, Incomes and Wages Commission (Amendment) Decree	1999		17
National Minimum Wage Act (Amendment) Act	2000		1
National Minimum Wage Act (Amendment) Bill	2010 <sup>14</sup>		

### 3. THE RIGHT TO MINIMUM WAGE

From the origin of minimum wage as aforementioned it is not difficult to see that in the absence of a Minimum Wage policy some workers will be subjected to such a terrible low wage that they may not be able to act like human beings as their ability to discharge their duties to their families, society and even to themselves would be in serious jeopardy. There is no gainsaying therefore that workers have the right to demand that labour be treated with dignity and the employer, the society and the nation have a corresponding duty to ensure that this right to dignity of labour and in this particular case the Right to

<sup>12</sup> The penalties in the extant Minimum Wage Laws in Nigeria is very small and is one of the areas identified for review by the Justice Alfa Belgore Tripartite National Committee on Minimum Wage. The 2010 proposed minimum wage amendment bill prescribes greater penalties including imprisonment for defaulters.

<sup>13</sup> National Minimum Wage Act, of 1981 (Official Gazette, 1981, A53-57) is the Principal Act on Minimum Wage in Nigeria.

<sup>14</sup> The 2000 amendment is expected to be further amended in 2010 in view of the new minimum wage and other recommendations by the Justice Alfa Belgore Committee.

Minimum Wage is respected. Anyakwe Nsirimovu<sup>15</sup> has submitted that ‘**more than any institutional guarantees respect for human rights must be inherent in the habits and desires of the people of the society**’. Anyakwe Nsirimovu<sup>16</sup> has also argued, and I support his line of reasoning, that Human Rights are founded in one single demand, that is, “**that respect is shown for human dignity under any circumstance**”. In recognition of this, **Section 17 (2) (b) of the 1999 Constitution of the Federal Republic of Nigeria requires that “the sanctity of the human person shall be recognised and human dignity shall be maintained and enhanced”**. More specifically Section 17 (3) (b) of the 1999 Constitution of the Federal Republic of Nigeria requires that “**the conditions of work are just and humane**.” It is therefore not surprising that the International labour organization (ILO) also recognizes the dignity of the human person and has therefore come up with ILO Conventions which are labelled core labour standards based on human rights especially the respect for the dignity of labour. These Conventions addresses workers rights internationally in many areas including Wages.

The ILO standards in the field of wages for instance cover four basic aspects:

**(i) the protection of wages including principles and rules concerning the medium,**

**Periodicity, time and place of wage payment, deductions from wages or the preferential treatment of wage claims in case of bankruptcy;**

**(ii) The protection of workers’ claims in the event of the employer’s insolvency by means of a privilege or through a guarantee institution;**

**(iii) The right to a minimum wage and the regulation of the operation of wage fixing Machinery; and, finally**

**(iv) The protection of socially acceptable wage rates in public procurement through the insertion of labour clauses in public contracts.**

The Right to minimum Wage being one of the basic building blocks of ILO’s convention on Wages has attracted a lot of attention. Even the Ouagadougou<sup>17</sup> conference on recovery from crises also observed that

**“Minimum wages can protect vulnerable workers and discourage wage deflation during the crisis. Existing systems need to be improved and where they do not exist, consideration should be given to their introduction”**

Expectedly, the ILO has over the years, adopted several instruments setting standards on the principles and methods of minimum wage regulation. The First of such Standards was the Minimum Wage-Fixing Machinery Convention (No. 26) of 1928 (which laid down certain principles and rules for the application of minimum wage fixing machinery in those trades, including manufacturing and commerce, in which no such mechanism was available and wages were exceptionally low). Several other conventions on minimum wage were later adopted such as the Wages, Hours of Work and Manning (Sea) Convention (No. 76), prescribing the actual amount of an international minimum wage for seamen and making provision for the adjustment of their basic wage and the Social Policy (Non-Metropolitan Territories) Convention (No. 82), adopted in 1947, which set forth the principles and methods that should be

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<sup>15</sup> Anyakwe Nsirimovu (1997) Human Rights: An Umbilical Cord of Participatory Democracy. Institute Of Human Rights And Humanitarian Law page 14

<sup>16</sup> Anyakwe Nsirimovu (1997) Human Rights: An Umbilical Cord of Participatory Democracy. Institute Of Human Rights And Humanitarian Law page 21

<sup>17</sup> Recovering from the Crisis: A Roadmap for the Implementation of the Global Jobs Pact in Africa: Ouagadougou Conference Page 8



observed in fixing minimum wages in dependent territories. There is also the Minimum Wage Fixing Machinery (Agriculture) Convention (No. 99) which was adopted in 1951 to address the special problems of wage policy in agriculture. Later in 1970, The ILO Convention 131 on Minimum Wage Fixing, which is the principal ILO Convention on Minimum Wage Fixing, was adopted.

ILO Convention No. 131 (Minimum Wage Fixing Convention, 1970) leaves the determination of the level of minimum wages that are necessary to protect “wage earners against unduly low wages” to the member States themselves. It nevertheless highlights the potential trade-offs by emphasizing that the two key elements to be taken into consideration are: “the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups”; and “economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment”<sup>18</sup>.

**It is important for us to summarise at this stage that Minimum wage fixing** <sup>19</sup> is often associated with one or more of the following four purposes:

- (a) Bringing the lowest wages up to the general level of wages paid for similar work;
- (b) Exerting upward pressure to the general level of wages as a whole;
- (c) Eliminating unfair competition; and
- (d) Serving as a policy tool aimed at promoting rapid growth and equitable distribution of the national income.

#### **4. THE NEW MINIMUM WAGE**

The last minimum Wage review in Nigeria was done in 2000 during the administration of Chief Olusegun Obasanjo and it appears to be the practice in our dear country that minimum wages are reviewed every 10 years. It was therefore not a surprise when in 2009 the Federal Government put machinery in motion for the review of the subsisting Minimum Wage. Let me however appeal as was similarly appealed by ILO, that<sup>20</sup>

**“Minimum wages should be adjusted regularly to maintain the purchasing power of affected workers in the face of price increases, and to avoid large occasional shocks to the economy. The welfare of poor workers and households critically depends on both their wages and the prices they face. The adjustment of the nominal minimum wage in the context of increasing prices is thus as important as the setting of the initial rate for a minimum wage. In the current context of sharply increasing food and oil prices, and high inflation forecasts for 2008 and 2009, swift adjustment in minimum wages is all the more important.”**

The new minimum wage is therefore the outcome of rigorous work and consultations by the tripartite Presidential Committee on National Minimum Wage, headed by retired Chief Justice of Nigeria, Hon Justice S M A Belgore, GCON. The committee was inaugurated by late President Umaru Musa Yar'adua,

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<sup>18</sup> ILO Convention No. 131 (Minimum Wage Fixing Convention, 1970)

<sup>19</sup> ILO, Minimum wage fixing and economic development, 1968, pp. 5-12.

<sup>20</sup> ILO. “Global Wage Report 2008 / 09” page 43

represented by the Secretary to the Government of the Federation Alhaji Mahmud Yayale Ahmed on July 14th 2009, to review the national minimum wage as well as the Act establishing it. The committee is made up of eight members each from organised labour, organised private sector and the government. The government was represented by four ministers and the Head of Service of the Federation on a representative basis, as well as three members from the states representing different geo-political zones. The organised private sector representation includes the Nigeria Employers Consultative Association (NECA), NACCIMA and NASME while the organised labour, was represented by NLC and TUC. The committee examined the relevant economic indices offered by Ministry of Finance, Nigeria Institute for Social and Economic Research (NISER), CBN, relevant laws and conventions of the International Labour Organisation (ILO).

According to Justice Belgore<sup>21</sup>:

**“The committee met severally and consulted widely. It further took cognisance of the need to ensure that the outcome of the exercise must be growth-propelled in terms of GDP growth rate. ...It also considered its capability of promoting rapid socio-economic transformation of the country, which will not lead to inflation spiral...The objective is aimed at alleviating poverty in the country as well as maintaining macro-economic stability.”**

Consequently and based upon the negotiation of the stakeholders, the Justice Alfa Belgore committee proposed the following inter alia, which were forwarded to the Secretary of the Government of the Federation by the chairman of the committee at a widely reported ceremony on the 1st of July 2010:

- 1. A national minimum wage of N18, 000 per month for all establishments in the public and private sectors employing 50 workers and above.**
- 2. An upward review of the sanctions that would serve as a deterrent to would-be violators of the new national minimum wage. The committee recommended that Section 8 of the Principal Act, which prescribes a fine not exceeding N500 or imprisonment for a term not exceeding three months or both, should be amended to “a fine not exceeding N100,000 or to imprisonment for a term not exceeding six months or both such fine and imprisonment.” It also recommended the amendment of section 3 of the Principal Act, which prescribes “a fine not exceeding N100 and in the case of a continuing offence a fine not exceeding N10 for each day during which the offence continues,” to read instead,” a fine not exceeding N50, 000 and in the case of continuing offence to a fine not exceeding N10, 000 for each day during which the offence continues.”**
- 3. A more frequent review period, not exceeding five years, to be carried out by a statutory tripartite committee that would be appointed from time to time by the president.**
- 4. That the extant National Minimum Wage Act 1981 and its subsequent amendments of 1990 and 2000 should be repealed, and replaced with a new Act to be enacted.**

It is very important to note that the Justice Belgore Committee Report was accompanied by a draft new National Minimum Wage Bill of 2010 for onward transmission to the National Assembly.

Let me comment that the Justice Alfa Belgore-led committee recommendation that the new wage should apply to organisations with 50 employees and above, and exclude seasonal employment such as in agriculture, workers on part-time basis and allied employment is understandable as the issue of the organizations to which minimum wage should apply in Nigeria has been a contentious one as it is linked to its practical effectiveness. For instance, it would be recalled that in 1987 a,

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<sup>21</sup> “Nigeria: Minimum Wage - Belgore Committee Recommends N18,000”. Leadership. 12 July 2010

**“ controversial decision was taken in February, when the government announced a major relaxation of the nation's minimum wage laws. Under new regulations, all companies with fewer than 500 employees would be exempted from minimum wage requirements; previously, only companies with fewer than 50 employees had been exempt. After concerted and vociferous protests from labour unions and indications of widespread abuse by employers, however, the government reversed its stance and reinstated the original provision.”<sup>22</sup>**

Also commenting on the effectiveness of the proposed enforcement mechanism inbuilt in the new minimum wage Comrade Peter Esele , President-General , Trade Union Congress of Nigeria (TUC) and a member of the Tripartite Committee on National Minimum Wage<sup>23</sup> stated that:

**“For the first time, we want to make it a law that any minimum wage decided at the federal level will be binding for every employer of labour in Nigeria. We want to make a law so that we can use it in holding erring states, companies and establishments liable for defaulting to pay.” -**

Let me also observe that although the new national minimum wage of N18, 000 per month represent an increase of 327% of the 2000 National Minimum Wage (in nominal terms), it is less than 35% of the N52000 demanded by organized labour and just some 80% of the US\$ equivalent of the 1981 National Minimum Wage. The US\$ equivalent of the 1981 minimum wage which is US\$150 when converted into Naira at today's exchange rate is N22500. Also commenting on the extant minimum wage, Comrade Issa Aremu noted that <sup>24</sup>

**“We are legitimately pained with the stories of millions of Naira allegedly paid to the legislators monthly. Yet nobody seems worried nor alarmed that the subsisting prevailing minimum wage Act passed in 2000 offers a worker just a peanut minimum wage of N5,500 month. At the exchange rate of N150 to a dollar, a Nigerian worker earns less than \$40 a month now, which in real terms is less than the N125 (\$150) a Nigerian worker earned as minimum wage in 1981.”**

The peaceful manner in which the negotiation was done and concluded is commendable and also shows the understanding and patience of the parties especially the workers. This should be reciprocated by government and the employers by implementing it immediately notwithstanding that fact that Assembly is in the process of amending the National Minimum Wage Act 2000, to give legal backing to the committee's recommendations.

## **5. ISSUES AND CHALLENGES**

Let us not pretend that there are no challenges that would affect the management and implementation of the New National Minimum Wage in Nigeria. The fact is that there are great challenges ahead and it is important we identify these challenges and collectively proffer solutions to them.

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<sup>22</sup> “1987: Nigeria”.Microsoft ® Encarta ® 2009

<sup>23</sup> “New Minimum Wage: Would State, Private Sector Workers Also Have A Piece Of The Cake?” Saturday Tribune, Saturday, 24 July 2010

<sup>24</sup> Comrade Issa Aremu “Nigeria: Minimum Wage, Minimum Delay”. Daily Trust August 29 2010.

## 5.1 LEGAL:

As mentioned above, legally speaking the new wage is not enforceable until the Nigerian National Assembly amends the National Minimum Wage Act 2000. It is therefore important that the Executive arm of Government fast track the submission and passage of an amendment to the 2000 National Minimum Wage Act to give effect to the consensus reached by the Justice Alfa Belgore Tripartite minimum wage negotiating committee, especially since the committee report was accompanied by a draft new National Minimum Wage Bill of 2010 for onward transmission to the National Assembly. Moreover negotiation process that led to the new N18,000 was all inclusive as all the key stakeholders including the States and Private sector were involved and represented. Commenting on the delay in the passage of the 2010 Minimum Wage Bill into Law, Comrade Issa Aremu <sup>25</sup>notes that:

**“With respect to the new minimum wage, the federal government must show the same will power that made speedy appropriation of supplementary budget of N87 billion for INEC possible and make provision for the new negotiated rate possible in 2011 budget for the public sector workers. Also, the government must direct the private sector employers to negotiate with their workers, with a view of implementing the new minimum wage. The real governance issue today, after the electoral reform, is crisis of compensation engendered by the existing miserable pay of the working people.”**

**This seeming silence and delay is worrisome and generating some uneasy atmosphere in the Labour Circle especially considering that a bill proposing a minimum wage of N30,000 in reaction to workers’ lamentations passed second reading in the House of Representatives in July 2009 ,the Justice Belgore committee report was accompanied by a draft new National Minimum Wage Bill of 2010 for onward transmission to the National Assembly and the N18000 new minimum wage is a negotiated outcome involving all the key stakeholders.**

## 5.2 LABOUR MARKET SITUATION:

The labour market situation in Nigeria is such that there are too many people chasing too few jobs. The level of unemployment and poverty in Nigeria today is unprecedented. It is so serious that Nigerians are seriously worried by the huge and unprecedented job losses occasioned by (a)The Global economic meltdown (b)The relocation of companies from Niger Delta to other regions because of the Niger Delta security crises (c)The relocation of companies from Nigeria to neighbouring countries because of the hydra headed power sector problems , the prevalent multiple taxation , security challenges, corruption, terrible conditions of basic infrastructure , the unacceptable high cost of doing business in Nigeria worsened by the clear manifestation of the so-called voracity effect(i.e. the absence of strong institutions and the prevalence of multiple powerful groups and strong men struggling for their share of the so-called national cake at the expense of the much needed Nigeria’s economic development ) and Dutch disease (i.e. the obvious relationship between the increase in exploitation of natural resources and a decline in the manufacturing sector ) (d) Reforms in the banking , petroleum, public sectors etc worsened by the irrational and inhuman responses to these reforms by some employers of labour. Under this circumstance the capacity of the Nigerian worker to demand the new Minimum wage is greatly impaired.

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<sup>25</sup> Comrade Issa Aremu “Nigeria: Minimum Wage, Minimum Delay”. Daily Trust August 29 2010.

### 5.3 UNFRIENDLY POSTURE OF SOME STATE GOVERNORS ON MINIMUM WAGE

It is no longer news that some state governors have voiced their unwillingness to pay the new minimum wage. This is not new. For instance when the 2000 minimum wage was announced many state governments refused to pay the Federal government recommended minimum wage leading to many industrial actions. As a recap of what happened in 2000, permit me to present the report of the International Committee of the Fourth International (ICFI) on the strikes by labour and actions of State Governors in 2000<sup>26</sup>:

**“Nigeria has been gripped by a strike wave over the level at which a new minimum wage should be set. The action began two weeks ago with a strike by civil servants in Lagos state, and quickly spread throughout the country. Forty-seven thousand public sector workers have been on strike for two weeks in Lagos, with refuse dumps not cleared, water taps running dry and health services collapsing. Civil servants in at least 12 states, including Anambra, Abia and Ondo, began indefinite strikes this week. The dispute has been joined by other sections of workers, including those in the textile and clothing industry. Nigerian President Olusegun Obasanjo has been in talks with government officials. On Monday, the governors of the country's 36 states said they would only agree to 5,500 naira (\$55) a month as the level for the minimum wage. Workers are demanding between N6,500 and N7,500. The minimum wage has a long tradition in Nigeria. Even the last military dictatorship of General Abdulsalami Abubakar had a minimum wage of N3,000. ... Emboldened by the lack of an effective response, some governors are now threatening redundancies to pay for salary increases. Speaking last Thursday after abortive talks to resolve the eight-day strike, Lagos governor Bola Tinubu said his administration was now considering staff rationalisation as a way out of the wages crisis.”**

The utterances and comments of some state governors since the Justice Alfa Belgore Committee submitted their report on the new Minimum Wage of N18, 000 is not substantially different from what we heard in 2000 and is to say the least worrisome. For instance it was reported that the Ogun State Governor, Otunba Gbenga Daniel, has hinted that his state cannot pay the new minimum wage as it is presently burdened with N2.2 billion workers salary monthly. According to a report, Governor Gbenga Daniel said that:

**“The newly approved minimum wage of N18,000 recently approved by the federal government has not even appeared on our expenditure screen. Let me, however, say this, no matter how palatable it may be, Ogun State, under the economic crunch it is presently experiencing, will not be in any position, to implement any of this increment, except a financial miracle occurs soon,”<sup>27</sup>**

Governor Gbenga Daniel also declared that:

**“the only adjustment the state could accommodate would be a reduction in the salaries of the state's 44,500 workforce, adding that state has been battling with the agitation of various labour unions in the state over sundry increment in their emoluments....According to the governor, the state might be forced, with the approval of the stakeholders to embark on massive load shedding of its workforce”<sup>28</sup>**

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<sup>26</sup> “Nigeria in midst of strike wave”. International Committee of the Fourth International (ICFI). 6 July 2000

<sup>27</sup> “New minimum wage: NLC moves to compel states, private sector to pay”. Sunday Trust. SUNDAY, 18 JULY 2010

<sup>28</sup> “No New Minimum Wage for Our Workers - Governor Daniel”. Leadership. July 14 2010

This kind of comments coming from some State Governors is very disturbing especially when we consider that the State governments were consulted and represented in the Justice Alfa Belgore Tripartite Committee on National Minimum Wage Committee and the different state governments made recommendations on what should be the new national wage, with Abia State providing the highest proposal of N46,700 while Plateau and Ebonyi states made the lowest recommendation of N10,000. Others and their proposals are as follows: Bauchi, N16,585.50; FCT, N25,000; Kwara N30,000; Imo, N30,000; Zamfara, N15,000; Jigawa, N20,800; Abia, N46,700; Plateau, N10,000; Kebbi, N30,000; Anambra, N25,000; Ebonyi, N10,000; Akwa Ibom, N13,333.12; and Kano N11,022.17.<sup>29</sup>

Already, following these unfriendly comments by some Governors, the organised labour is spoiling for war. For instance the

**“Trade Union Congress of Nigeria (TUC) on Monday threatened to paralyse business activities in the country if state governments fail to ensure immediate implementation of the N18, 000 national minimum wage. The congress also called on President Goodluck Jonathan and the National Assembly to immediately “take all necessary actions to improve workers’ wellbeing through a new wage structure that will affect every worker.” Peter Esele, TUC president-general, and John Kolawole, TUC secretary-general gave the threat in a statement issued on Monday. ...While expressing concern over the disagreement arising from non-implementation of the national minimum wage by some state governments, Esele and Kolawole urged all the states to desist from any action capable of truncating existing industrial harmony in the country. They said: “Such comments as insensitive, selfish and without regards to the workers who are under paid despite their wealth of experience and contributions towards national development, as against their political appointees’ counterparts who by the end of the month go home with huge salaries and other entitlements.”<sup>30</sup>**

From the forgoing, it is evident that there is an urgent and immediate need for the Federal Government of Nigeria to convene a meeting of social partners such as the Nigerian Labour Congress(NLC), Trade Union Congress of Nigeria(TUC) ,Nigerian Employers Consultative Association (NECA) and the Governors’ Forum to agree on broad guidelines for the implementation of the new wage in the various sectors of the economy and three tiers of the government . **This in my view could facilitate the speedy and peaceful passage of the Report Justice Belgore Tripartite Committee on National Minimum Wage into law by the National Assembly.** Already President Goodluck Ebele Jonathan GCFR in his Facebook page has assured that:

**“While I cannot dictate to the state governments or the private sector, I will do everything within my powers to encourage and cooperate with the states to do what is right for Nigerian workers because in the final analysis we are first and foremost citizens of Nigeria before our indigeneship of a given state. As for the private sector, they can even pay more so long as our vision of growing the economy in partnership with them remains on course. I am very hopeful.”<sup>31</sup>**

**It is our hope that Our President would do everything within his power to ensure a seamless implementation of the new minimum wage across all sectors and all tiers of government as this**

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<sup>29</sup> “Minimum wage violators risk six-month jail term”. The Punch. July 13<sup>th</sup> 2010.

<sup>30</sup> “TUC threatens showdown with states”. [www.tucnigeria.org](http://www.tucnigeria.org). Also see “Minimum wage: TUC threatens showdown with states” .Businessday of August 10 2010

<sup>31</sup> “Minimum wage violators risk six-month jail term”. The Punch. Tuesday, 13 Jul 2010



would save the country from the wave of industrial actions similar (if not greater than) to the ones that heralded the faulty implementation of the 2000 Minimum Wage.

**Let me state that unlike the 2000 wave of strike action, any of such industrial actions now would further heat up the already overheated polity due to the issues around the 2011 general elections. Already the Association of Senior Civil Servants of Nigeria (an affiliate of TUC) has given indication that they may not participate in the 50<sup>th</sup> Independence anniversary if the new wage is not paid. It is therefore in the interest of all parties to ensure that issues and concerns over the implementation of the new minimum wage are proactively resolved.**

#### **5.4 NON-UNIONISED WORKERS, CASUALISATION AND CONTRACT STAFF:**

Non-unionised workers as experience has shown are the greatest victims of unfair labour practices including the denial of their rights as contained in the extant labour laws and the ILO conventions. Empirical evidence confirms that the respect for workers' right and dignity are very much likely to be violated for non-unionised workers, casual workers and contract staff. This is quite understandable and that is why the constitution, extant labour laws, African Charter on Human and People Rights (Ratification and Enforcement Act) 1990 as well as various ILO conventions seeks to guarantee the right of workers to join a trade union for their protection.

Please kindly permit me to use this opportunity to remind us that it is unlawful for an employment contract to require or to restrain an employee from joining a Trade Union. In the same fashion, employees' contracts cannot be extinguished by reason of the employee joining a Trade Union. All workers, whether they are permanent staff, agency or contract staff of any category, have the right to join a trade union and bargain collectively. This is a constitutional right as well as a right under the ILO Convention.

**Trade unions must intensify their efforts at unionizing the workers as a minimum. They must however go beyond that and continue to display courage and solidarity in the protection of the rights and welfare of their members and in the mobilisation of Nigerians against unpopular/obnoxious government policies/programmes. This is their sacred duty and divine calling and is the basis upon which they will be judged by humanity. No amount of fear, evil and oppression can kill the will and determination of any people in their pursuit for social justice and a fair society; except if the people themselves are not determined and united in their struggle. Let me also say that No society has made any fundamental progress without the sacrifice of great men and women who refused to take the easy part of pretending to be neutral in the midst of evil but rather chose to fight evil, injustice, corruption and oppression head-on. History is replete with so many examples and even Nigeria's political independence would not have taken place in 1960 without the sacrifice of Nigerian workers who were massacred at Iva Valley Coal mines, bulleted at Burutu, bludgeoned and buffeted in many other parts of the country as they fought for the untrammelled freedom and prosperity of their fatherland. I also want to say that without the exemplary leadership and unparalleled tenacity of purpose of Chief Milton Dabibi (Former Secretary General of TUC and former General Secretary of PENGASSAN), Chief Frank Kokori (former General Secretary of NUPENG) and many other great union leaders in the face of intimidating circumstances and unrestrained exhibition of awesome instruments of terror during the dark days of Military dictatorship the present democracy may not have come when it came, or might even have eluded us! These great leaders have played their own roles and very well. It is the duty of the current Trade Union leaders to ensure that Nigeria is liberated from the shackles of corruption, deceit, electoral fraud, social injustice, outright brigandage and voracity effects. We cannot close our eyes to the unprecedented level of suffering, pain and injustice in Nigeria**

occasioned largely due the bondage imposed on our country men and women through the instrumentality of corruption, deceit, electoral fraud, social injustice, outright brigandage and voracity effects<sup>32</sup>.

## **5.5 ENFORCEMENT CAPACITY OF THE FEDERAL GOVERNMENT AGENCIES:**

There are doubts in some quarters as to whether the Federal Government has sufficient qualified personnel for the purpose of ensuring that the provisions of the labour laws including the National Minimum Wage are effectively and adequately observed by employers of labour including the various state and local governments. Even the International Labour Organisation (ILO) seem to be of this view going by their observations that **“unfortunately, in many countries, labour inspection services are understaffed and penalties are too weak. As a result, minimum wages too often remain a “paper tiger” rather than an effective policy.”**<sup>33</sup> A very close examination of the number of officers working in the Federal Ministry of Labour and Productivity in say Port Harcourt vis-à-vis the level of industrial activities in Rivers State tend to support this line of thinking. As observed by Squire and Suthiwart-Narueput (1997) <sup>34</sup> **“It is well appreciated that compliance is a function of the probability of firms being visited by labour inspection services, and of the level of penalties in the case of non-compliance”**. There is therefore no gainsaying that supervision by the Ministry is very important so as to ensure that the Minimum Wage is actually implemented in practice.

## **5.6 LACK OF AWARENESS OF THE NEW MINIMUM WAGE**

If workers and indeed Nigerians do not know the new Minimum wage and the provisions of the Principal Act including the 2010 amendments, they would not be able to demand for them. It is therefore important that adequate enlightenment campaign is carried out by Government, the Organised Labour and other social partners and stakeholders to sensitise the Nigerian public and workers. To this end, let me once again; on behalf of the Rivers State Council of the Trade Union Congress of Nigeria (TUC) and all

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<sup>32</sup> Voracity Effect is the absence of strong institutions and the prevalence of multiple powerful groups and strong men struggling for their share of the so-called national cake at the expense of the much needed Nigeria’s economic development. The term was made popular by Aaron Tornell and Philip R. Lane in their various studies on economic growth and quality of the institutions of governance in developing countries. Their studies were conducted in view of the two common disturbing characteristics of developing countries that have grown slowly in the last several decades namely -the absence of strong legal and political institutions and the presence of multiple powerful groups in society. The authors analysed a dynamic model of economic growth process to answer the following three questions. First, why does the combination of a weak institutional structure and fractionalization inside the governing elite generate slow growth? Second, what is the relationship between the concentration of power (the number of powerful groups) and growth? Third, why do such countries not only grow slowly but also frequently respond in a perverse fashion to favorable shocks, by increasing more than proportionally fiscal redistribution and investing in 'inefficient capital projects?. Their result was made popular in their paper titled ‘Voracity Effect’ The American Economic Review Vol. 89, No. 1 (Mar., 1999), pp. 22-46. They observed that such Powerful groups dynamically interact via a fiscal process that effectively allows open access to the aggregate capital stock. In equilibrium, this leads to slow economic growth and a "voracity effect," by which a shock, such as a terms of trade windfall, perversely generates a more-than-proportionate increase in fiscal redistribution and reduces growth. They also showed that a dilution in the concentration of power leads to faster growth and a less procyclical response to shocks. You can also see Aaron Tornell and Philip R. Lane June 1996 “Power, growth, and the voracity effect” Journal of Economic Growth Volume 1, Number 2,

<sup>33</sup> ILO. “Global Wage Report 2008 / 09”. Page 52

<sup>34</sup> Squire, L.; Suthiwart-Narueput, S. 1997. “The impact of labor market regulations”, in The World Bank Economic Review, Vol. 11, No. 1, pp. 119–144



our affiliate-unions thank the Chartered institute of personnel management of Nigeria(CIPMN) for putting this event together and for providing for an opportunity for the participants to talk about the new Minimum Wage.

## **5.6 ORGANISATIONS WITH A CULTURE OF UNFAIR LABOUR PRACTICE AND MISERABLE WAGES**

It is very sad to say that there are some organisations that have a culture of unfair labour practices and it would seem that they try to exploit every available opportunity to oppress, repress and enslave their workers. **I do not need any soothsayer for me to know that such organisations would do everything possible to evade the new minimum wage. Some of them may even begin to convert their employees (if they have not already done so by now) to “contract staff” to surrogate employers such that none of these employers would have up to 50 employees since the minimum wage applies to companies with at least 50 employees. They would then turn around and say that the workers are not their employees and that even their ‘employers’ have informed them that they have less than 50 workers and hence the minimum wage does not apply to them. Let me point it out clearly that the organised labour would not accept any such unfair labour practices and would vehemently oppose it.** For the purpose of minimum wage implementation, all workers working in the company/organisation irrespective of their classification or nature of contract would be considered.

## **6. SUGGESTIONS FOR EFFECTIVE MANAGEMENT OF THE NEW MINIMUM WAGE**

In addition to some of the suggestions made in the various sections of the paper, I would attempt to make some suggestions for the effective implementation/management of the new national minimum wage. I have also come here to learn and so would respectfully appeal to each and every one of us to come up with useful suggestions on the way forward.

### **6.1 SOCIAL DIALOGUE AND CONSULTATIVE MEETINGS AMONG STAKEHOLDERS**

**The importance of social dialogue and consultation among the stakeholders in the effective management of the new minimum wage cannot be over emphasised.** This has also been confirmed by the ILO in her Update on minimum wage developments where it was observed that:

**“The active involvement of social partners in both the design and operation of minimum wage enforcement regimes is essential to enhance their impact. Recently, in the United Kingdom, in the face of growing problems of underpayment of minimum wages, the Government organized consultative meetings with interested parties to discuss the suitability and implications of suggested changes to the minimum wage enforcement regime. Both workers’ and employers’ organizations put forward a number of constructive proposals. In the United States, the US Government Accounting Office (GAO) recommended to the Department of Labour to involve employers’ and workers’ organizations in planning their enforcement activities so as to counter the decline in the number of actions to enforce the Fair Labour Standards Act between 1997 and 2007.”<sup>35</sup>**

Based on the forgoing, I would humbly and respectfully appeal that we in Nigeria apply international best practices on similar issues which as we have seen above include effective dialogue and consultation by the stakeholders for the purpose of achieving a seamless implementation and better management of the new minimum in the interest of industrial peace and harmony, and our post-recession economy. I am very

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<sup>35</sup> “Update on minimum wage developments” ILO Committee on Employment and Social Policy Geneva, March 2009 page page 9

glad that this was also the view of the Justice Alfa Belgore Tripartite committee on National Minimum wage when they suggested that:

“In order to forestall any possible industrial crises that might arise as a result of the new national minimum wage, the Federal Government through the Federal Ministry of Labour and Productivity as a matter of expediency convene a meeting of the social partners (NLC, TUC and NECA) to agree on the broad guidelines for the implementation of the new national minimum wage in the various sectors of the economy including the public service”<sup>36</sup>.

## 6.2 PROPER ENFORCEMENT MECHANISMS TO DISCOURAGE NON-COMPLIANCE

**Without adequate mechanism for its enforcement , the new Minimum wages would just end up as a mere paper work ,without any practical use.** Therefore, the minimum wage should be accompanied by credible enforcement mechanisms which should have proper legal backing. Evidence from a number of country studies suggests that non-compliance can be extremely high, especially in countries where the sanctions for non compliance are minimal. Table 3 below provide examples of sanctions imposed by some countries.

**Table 3 Examples of sanctions (in addition to the payment of salaries due)<sup>37</sup>:**

China 1 to 5 times the amount owed to the worker
France EUR 1,524 8 (US\$1,270.70 – about 1.5 the monthly minimum wage) times the number of affected workers
Mexico Between 50 and 200 times the minimum wage
Mozambique Up to 10 times the minimum wage times the number of affected workers
Seventy five per cent of countries stipulate fines for non-compliance ranging from one-fourth to 200 times the minimum wage.
Fifteen per cent of countries provide for fines and/or imprisonment (from six days to four years).
For 10% of countries, no provision could be identified

**Based on the above, and the history of non-compliance in Nigeria, the Trade Union Congress of Nigeria (TUC) support the recommendation of the Justice Belgore led Tripartite Committee on new national minimum wage calling for effective sanctions against erring states and organization.** For instance the committee recommended that Section 8 of the Principal Act (1981 National Minimum Wage Act), which prescribes a fine not exceeding N500 or imprisonment for a term not exceeding three months or both, should be amended to” **a fine not exceeding N100, 000 or to imprisonment for a term not exceeding six months or both such fine and imprisonment.**” The committee also recommended for the amendment of Section 3 of the Principal Act which prescribes “a fine not exceeding N100 and in the case of a continuing offence a fine not exceeding N10 for each day during which the offence continues,” to read instead,” a fine not exceeding N50, 000 and in the case of continuing offence to a fine not exceeding N10, 000 for each day during which the offence continues.” These in our view will discourage non compliance by organizations and have our total support.

## 6.3 LEGAL BACKING

**As was shown in Section 5.1 of this paper, without giving legal backing to the new minimum wage, it will end up as a mere recommendation which is subject to the acceptance or otherwise of the parties.** This therefore underscores the urgent need for the National Assembly to quickly pass into law

<sup>36</sup> “Pay N18,000 minimum wage or go to jail”. The Vanguard. Jul 12, 2010

<sup>37</sup> ILO 2006: Minimum wages policy .Page 3

the recommendations of the Justice Belgore Tripartite Committee on National Minimum Wage to give it the force of law. It is also important that the law should be simple so that it would be easily understood by all stakeholders (i.e. employers, employees, labour unions ,employers union and the enforcement institutions) as well as include procedures that will help workers and their Union Officials to effectively exercise their rights under the minimum wage legislation, including the right to recover amounts by which they may have been underpaid; and adequate protection of workers against victimization for doing so.

#### **6.4 ADEQUATE PUBLICITY OF THE NEW MINIMUM WAGE**

There must be adequate arrangements to give proper publicity to the new minimum wage provisions as well as the provisions of the minimum wage law in languages or dialects understood by workers including illiterate persons. The importance of publicity and mass enlightenment of the new minimum wage cannot be overemphasised.

#### **6.5 EFFECTIVE COMPLIANCE MONITORING**

It is very important for the Federal Government to adequately staff their various agencies charged with responsibilities of monitoring compliance with the new minimum wage as well as provide them with adequate facilities necessary to carry out their duties. **The organised labour (i.e. the Nigeria Labour Congress and the Trade Union Congress) should also inaugurate their working committees for the monitoring and enforcement of the new Minimum wage across the country.** The NLC and TUC monitoring committees when formed should ensure that they work in close partnership with organised private sector and NECA. They should also ensure that they work closely with the various state governments to ensure that the new minimum wage is seamlessly implemented.

### **7. CONCLUSION**

**Let me by way of conclusion state that the effective management and implementation of the new minimum wage require the efforts, commitment and collaboration of all stakeholders. Let me also appeal that we ensure that our comments and suggestions on the effective implementation and management of the new minimum wage receive the attention of the policy makers.**

Finally, let me thank you for your kind attention. May God Almighty bless us and help us to do His will on earth!

Solidarity forever!

**Comrade Hyginus Chika Onuegbu JP,FCA,ACTI<sup>38</sup>**

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<sup>38</sup> **Comrade Hyginus Chika Onuegbu is the Rivers State Chairman of the Trade Union Congress of Nigeria (TUC). He is also a member of the International Labour and Employment Relations Association(ILERA) with headquarters in Geneva, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), an Associate of the Chartered Institute of Taxation of Nigeria(CITN) and holds an M.Sc Economics Degree from the University of Calabar . He was appointed a Justice of the Peace (JP) by the Rivers State Government in September 2010.He can be reached at the Rivers State Secretariat of the Trade Union Congress of Nigeria (MBM Plaza, 48 Old Aba Road, By Shell I.A. Maingate, Rumuobiakani, PHC or [08037404222/riverstuc@yahoo.com](mailto:08037404222/riverstuc@yahoo.com)/[chikaonuegbu@yahoo.com](mailto:chikaonuegbu@yahoo.com). For more information on TUC Nigeria, please visit our website [www.tucnigeria.org](http://www.tucnigeria.org)**