

ISSUES IN THE IMPLEMENTATION OF 2019 NATIONAL MINIMUM WAGE IN NIGERIA: CHALLENGES AND PROSPECTS

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Abstract

This paper analysed the issues in the implementation 2019 national minimum wage in Nigeria with specific attention on the challenges and prospects. It employed the industrial relation theory; with focus on collective bargaining. The historical analytical method was deployed and data/analyses were chronologically presented in accordance with the objectives. It depended largely on various newspapers, journal articles, and other relevant related materials. The paper argues that Nigeria's frequent confrontations between the government and labour have posed a detrimental effect on cordial industrial relations. This is because it lacks standing machinery that is functional to center on labour economics, and determining the main issue seems to be the timing circumstances surrounding the minimum wage increase/review. It concludes that due to the government's political stance toward labour demands, industrial actions have multiplied in the country. The aforementioned indicates that the Nigerian government-labour negotiation process for new minimum wage is perceived as being unable to currently ensure the welfare of workers as expected, given the hike of inflation. The recent two hundred thousand minimum wage proposal is a clear prove. In order to comply with its obligations to the International Labour Organisation (ILO), NLC and TUC, this paper recommends among others that the Nigerian government must implement a functioning system for the establishment and regulation of minimum wage as soon as possible in order to cushion the effects of cost of living, particularly the increase in oil price, to better the country's economic stance.

Keywords: Nigeria, implementation, minimum wage, Nigeria, labour, NLC, TUC,

Introduction

Wage is a marketing term which is refers to as reward for labour (as a global factor of production). The International Labour Organization (ILO) stated that workers should expect to be paid when they work, and also to work in a conducive environment as well as conditions that are favourable (ILO, 1928). It is widely acknowledged that Victoria State, Australia, and New Zealand, respectively, set the precedent in 1894 and 1896 for adopting minimum wage and its implementation. In 1896, the Victoria Wage Act changed the state factory law, and as a result, a wage board was set up to make laws for about six different industries (Alabi, 2019; Opone&Kelikwuma, 2021).

In 1909, the Trade Board Act was passed in United Kingdom (UK), resulting in the repeal of the prior minimum wage system in the country dating back to the 1980s and the introduction of National Minimum Wage in 1999 in the country (Nwude in Haliru, 2021). To safeguard workers

and improve working conditions, the majority of ILO Members (more than 90%) now employ minimum wage setting as well as their regulations in some forms. The prevalence of effective minimum wage structures in developed countries has led to the minimum wage becoming increasingly associated with political economy issues in less developed/developing nations.

In Nigeria, the history of minimum wage laws is complex. In contrast to a number of other nations, the political problem of establishing a fair minimum wage for the workforce has historically dominated government-labour relations. Labour unions such as the Trade Union Congress-TUC, Nigerian Labour Congress-NLC, the Academic Staff Union of Universities-ASUU, among several others actually have pushed for increases regarding pay and the general welfare of Nigerian workers at various points. In addition to wage increase, the ability of the working class to maintain their income has a knock-on effect on trade and the larger society (Adagbabiri & Okolo, 2019; Haliru, 2021).

As pointed out by Onyeche and his research associate Edet (2017), the former western regional government of Nigeria made the very first effort to enact a minimum wage system in 1954 out of a desire to pay workers fairly. For a four-hour workweek, it suggested paying workers over 50 kobo a day, and the board submitted the bill to the government to be approved, which would be equivalent to Nigeria's minimum wage system. Ironically, the national government objected to the proposal, claiming that if it were approved, it would lead to high unemployment, inflation, and an industrial crisis that would manifest as a strike (Onyeche & Edet, 2017).

Sadly, a number of minimum wage increases previously have been met with nationwide industrial actions to pressure the government into action. However, why have all of these continued to be recurring problems in a relationship that defines labour and government in Nigeria? How can this be changed to guarantee future advancement, particularly in relation to issues around the 2019 minimum wage review and implementation? It is crucial that one consider these in light of history and offer measures for remediation (Haliru, 2021).

The 2019 saw the national minimum wage being negotiated, according to Abada et al. They argued that some Nigerian states have not yet fully implemented the N18,000 minimum wage from 2011. The viability of the Nigerian states and the instability of the national economy were also cited as potential impediments to the proposed implementation of the N56,000 wage. The study concluded that when the new Federal Minimum Wage is implemented, the states would abdicate their responsibility and cease to exist due to a dearth of resources (Soni, 2019). Olaitan (2021) argues that the extent to which the minimum wage is paid varies from state to state. He puts it mainly down to the state's financial health, which was recognised in 1991 as an essential factor in public sector employers' adherence to wage regulations set by the Federal Government of Nigeria. According to both studies, the new minimum wage may not be fully implemented because some state governments do find it difficult in relation to paying the minimum wage of N18,000.

In order to review wages cum Nigerian employees salary, a survey of the various commissions and committees established between 1934 and 2011 was carried out (Ameen, 2021). Despite believing that the minimum wage is a living wage (which means it can provide workers with a decent standard of living), the survey results show that the current state minimum wages are very low, making it very difficult for the public service workers to make ends meet. This is due to inflation, which reduces the workers' capacity to buy goods and services. For him, even if the workers were paid above N18,000, the problem would still not be solved due to the price mechanism's proclivity to cause hyperinflation. Thus, he also criticised the increase in the minimum wage in general. As a result, he concludes that the government should center its attention to increasing the Naira value rather than raising the minimum wage.

The value of the local currency, on the other hand, does not cause employee wages to remain constant anywhere in the world. Overtime pay increases even during recessions, as it does in Romania (Adedigba, 2019). Wage increases are a common practice all over the world. The 2019 negotiations on minimum wage and the subsequent issues in relation to implementation, however, were the longest and most difficult in Nigerian history to date because of the politics that pervaded them.

Conceptual Framework and Review

Concept of Minimum Wage

Simply put, minimum wage can be coined as the amount of money an employer is legally obligated to pay an employee for each hour of work. It is subject to regular adjustments to reflect inflation and other variables. The minimum wage is set by the Federal Labour Standards Act of 1938, known as the "Cain Labour Standard Act", and is adjusted by employers who operate businesses that affect interstate commerce. Additionally, the minimum wage may be set by collective bargaining agreements or governmental enactments as the lowest rate of pay applicable to certain groups of employees (Adesina, 2020).

According to Agbakwuru (2019a), a minimum wage is a statutory minimum wage that is guaranteed by law and cannot be reduced by individual or collective agreements. It is the minimum wage for work or services rendered that must be paid within a certain period of time, regardless of whether it is calculated on a time-based or output basis. The minimum wage can be set to cover living cost.

The three main ideas that comprise the minimum wage concept were outlined far back in 1967 at an ILO conveyed meeting that comprises various experts on devising an acceptable minimum wage system as well as related issues. The first is that the minimum wage is the amount of money deemed sufficient to meet the workers' basic needs for education, clothing, food, housing, as well as recreation, while considering each nation's economic and social development. Second, regardless of how the wage is paid or the qualifications of the worker, it is the lowest amount of compensation allowed by law. Third, it is the minimum wage that every nation is obligated by law to maintain. Fourth, it is only enforceable with the threat of criminal sanctions or other

appropriate penalties. Fifth, it includes minimum wages in collective agreements that are legally binding on public authorities (Agbakwuru, 2019a; 2019b; 2019c).

The term "minimum living wage" is frequently used because a minimum wage is a system that ensures workers (and in some cases their families) receive a basic wage that enables them to make ends meet. Implementing such a concept implies a mindset or a course of action that seeks to improve the material circumstances of workers and guarantee their access to a subsistence level of living that is consistent with human dignity. It is a form of remuneration paid directly or indirectly by an employer to an employee in exchange for their services, but does not include any other remuneration or benefits. Additionally, it frequently does not apply to specific workers or activities, such as those who work fewer hours than a certain threshold (Ahiuma-Young, 2018).

The Philosophy Behind Minimum Wage Setting

As cited in Amoye (2019), the No. 131 of ILO Minimum Wages Convention, 1970, and the various recommendations as spelt out in No. 135 serve to ensure that wage earners are provided with the social protection necessitated by the minimum wage levels that are permissible. Previous ILO Conventions (No. 99, No. 89) and Recommendations (No. 26, No. 30) (for agriculture and trades respectively) have already included this objective, with the recommendation No. 26 requiring the minimum wage to be set at a rate that would ensure the livelihood of the workers and their families, either implicitly or explicitly.

Providing for basic needs and reducing poverty are the objectives of minimum wages as well as other economic and social policy measures (Okolo & Kasikoro, 2021). Fixing the minimum wage won't work if it doesn't take care of all of the workers' basic needs. Basically, minimum wage fixing is all about making sure people who make minimum wage have the social protection they need. The ILO Convention, 1970, and the various measures it recommended, No. 135, said that minimum wages should never be lower than what would provide food for the worker and their family. Previous ILO conventions, like 26 and 30 (for trades) and 99 and 89 (for agriculture), said the same thing (Amoye, 2019).

According to the ILO (1988) in Amoye (2019), setting the minimum wage is frequently done for one or more of the four reasons listed below. The first step is to raise the lowest pay to the average rate of pay for similar work. The second is to put upward pressure on overall wage levels. Third is the elimination of unjust antagonism. Also, working as a political force to help people get ahead and make sure everyone gets their fair share is the fourth step in setting minimum wage system.

Theoretical Framework and Methodology

The study is based on John Dunlop's (1958) industrial relations systems theory. It is one of the collective bargaining theories. The idea behind industrial relations is to create rules and regulations that apply to everyone, from workers to management as well as to government.

Dunlop contends that interactions between the various actors in every nation help to shape the industrial relations system. He goes on to say that the system's primary function is to establish the rules and regulations that govern workplace relations. The theory places a lot of emphasis on the

interactions between three main actors: the government agencies in charge of enacting laws and statutory orders, employers and their organizations, and labourers and their unions (Armstrong, 2009).

The relationship between the three main players in Nigeria's labour system is organised labour, employers, cum government, which is represented by the Labour and Productivity Ministry. They all meet in a committee to negotiate with each other. In this article, we'll look at the problems and opportunities that come with setting a national minimum wage.

The historical analytical method was deployed and data/analyses were chronologically presented in accordance with the objectives. The paper utilised historical methods as analytical tool and therefore organised its discussion on time basis. Given that the topic is a recent phenomenon, it was heavily dependent on the numerous daily newspapers that covered the negotiations and implementation process in print and online versions from beginning to end. Additionally, it looked into any relevant secondary sources.

Results and Analysis

Negotiations and Implementation of the 2019 Minimum Wage in Nigeria

As stated by Bankole (2019a), many Nigerians did not share the mood of jubilation and euphoria that followed the passage of the minimum wage repeal and re-enactment bill, 2019, which set the minimum wage in Nigeria at N30,000, especially among those who were astute observers of the nation's political history. Given that policy adoption and formulation in the country are not as much of development issue than failure to implementing such policies. In this system, political leaders at all levels politicize every issue and take little interest in laws that don't serve their interests. As a result, the subsequent adjustment of the workers' wage structures at different levels to new level of salary is challenging to implement. The first step of implementation, the adjustment, is followed by the actual payment of the wage, which triggers another round of negotiation amid organized labour and those who represent government (Ifijeh, 2019).

Although the Technical Advisory Committee was established by the Presidency on January 9 in order to provide advice on how to raise funds to implement the new minimum wage, and after receiving the Committee's report on March 25, 2019, it became evident that many states would struggle to implement the minimum wage of N30,000 minimum wage (Agbakwuru, 2019a). Given that the majority of governors found it difficult to pay the minimum wage of N18,000, and on April 19, 2019, several commentators predicted that the introduction of the new minimum wage would be met with discrepancy (Abada, et al, 2019). Abubakar Malami, the then Federation's Attorney General as well as Minister of Justice, rejected the claim on April 28. He claimed that the ministry had issued a document authorizing payment of the wage following the assent and direction of federal ministries to "go ahead and pay" the new wage (Abada, et al, 2019). Despite this claim, proper implementation is yet to be achieved. Chairman of National Salaries, Incomes and Wages Commission (NSIWC) Richard Egbule and Minister of Labour, were unable to design a workable procedure for employee salary adjustment.

The Relativity/Consequential Adjustment Committee as well as Technical Sub-Committees was responsible for resolving the related methodological issues and providing a salary adjustment model for civil servants at the federal level, as established by the president on May 14, 2019 (Bankole, 2019a), which represents the Trade Union Side which was ably represented by The Joint National Public Service Negotiating Council (JNPSNC), and Government negotiating team, led by Mrs. Winifred Oyo-Ita, Head of the Federation's Civil Service, were both essential to the Committee's operation (Adagbabiri& Okolo, 2019).

Boss Mustapha, the Secretary of the Wage Act, was appointed to act as who will principally enforce the Act following the Federal Executive's dissolution in May 29, 2019. Despite the lack of progress, he continued to negotiate. The main issue was the percentage increase, which the government team rejected. The TUS initially proposed a salary adjustment of 66.7 percent for all employees across the board, which would correspond to a percentage increase in the Minimum Wage for employees in Grades 01–07, which would have been between N18,000 and N30,000. The TUS then submitted a salary adjustment of 30 percent for Grades 07–14 and 25 percent for Grades 15–17, while the government team proposed an increase of 9.5 percent and 5 percent respectively for Grades 7–14 and 7–17 (Bankole, 2019b).

The FEC approved a proposal on September 11, 2022, for a proposed increase in Value Added Tax (VAT) of approximately 50%, from 5%, to 7.25%, with effect from January 1, 2023, subject to the negotiation of salary consequential adjustment. In order to implement the VAT increase, the National Assembly also recommended that the VAT Act be amended (Agbakwuru, 2019d, p. 1). Because of "reduced citizens' purchasing power, high inflation rate, increased prices of goods as well as services, and economic retrenchment, the increase in VAT has led to an increase in the average living cost. (Nwafor, 2019a, p. 2). For instance, the cost of electricity that was N123 per unit increased to N158 and later escalated to N350. The cost of a monthly satellite television channel subscription also rose. On the other hand, the cost of Premium DSTV has risen from N11.340 to N16.320, while the cost of Compact DSTV has increased from N8.600 to N9.850, and from there to N12.350 at the start of 2021.

The plan was base on the believe that by raising such VAT rate, state governments, who currently enjoy majority of the VAT accrual of approximately 85% and only 15% for the federal government, would see an increase in revenue. This action was taken in response to the grievances and grievances expressed by a number of state governments in relation to the proposed minimum wage of N\$30,000. However, this overlooked the connection between revenue generation and the fiscal strategy of promoting consumption and productivity through taxation for development as well as positive growth (Nwafor, 2019b). However, following a rise in the price of gasoline that increased to N108 from N145 per KG and later to N165 per KG, which resulted in hyper-inflation, the 7.2% VAT increases became another compromise in relation to 2019 Minimum Wage Act implementation.

Due to a breakdown in negotiations, the federal government paid Grade Level 01–6 employees the new system of salary in 2019, particularly in the month August. It insisted that employees

below level 7 whose salaries fell below that amount qualified for the N30,000 wage. An implementation segment based, or better still, lack of implementation, was how the organized labour described the exercise (Ifijeh, 2019a). The State government of Kaduna, on the other hand, set an excellent example by way to implement the new salary/wage system at all levels of the state's civil service beginning with the salary for September 2019 (Young, 2019).

However, as stated by Opone and Kelikwuma (2021), the implementation of the new minimum wage was initially discussed in salary payments made by certain states in January, February and March. These states included Lagos, Abia, Edo, Edo, Enugu, Edo, Ebonyi, Gombe, Rivers, Kaduna, Kaduna and the Federal Government. Labour unions expressed dissatisfaction with the state-level implementation of the new wage. In April, Kaduna, Delta and Kaduna, among others, suspended payments of the new wage due to financial constraints due to the COVID-19 pandemic.

As of July 2020, all states, including the Federal Government, had pledged to pay the new wage of N30,000, subject to availability of funds. However, some states had suspended payment of the new wage in favour of the old wage of N18,000. Furthermore, some states, such as Rivers and Kebbi, as well as Adamawa, had paid amounts and grade levels on their own that did not reflect the increase in the minimum wage from 18,000 to 30,000. As of June 2020, some states had not yet attempted to implement the new minimum wage (Opone & Kelikwuma, 2021).

These are all related to Nigeria's flawed federal structure and irresponsiveness on the part of the leaders (Otuya & Okolo, 2019). In some advanced countries, both state and federal minimum salary/wages system are recognized, take USA as instance. The American state of Wisconsin, which enacted laws in 1913 in relation to wage, continues to uphold the principle behind the Industrial Commission's establishment as a standing wage body in 1911 that workers must be paid a living wage. It makes sure that wages are routinely reviewed in light of rising living expenses and a stronger economy. The current law, which has been in force since 2015, requires that workers in a state be paid a living wage to live above the poverty line (Opone & Kelikwuma, 2021; Okolo & Kasikoro, 2021; Okolo, Ledogo & Boubai, 2023). However, this law has been subject to numerous revisions since 1913, with the state law being reviewed more than 38 times. It is not expected that any state in the United States will pay a wage that is lower than the minimum wage set by the federal government (Rosciiglione, 2020; Tajma & Nick, 2020). The wage review process in the United States is not connected to that of the federal government. Unlike Nigeria, the United States is a productive nation and has control over its resources.

Workers in the state are required to earn a living wage. The current law has been in place since 2015. However, the state law was reviewed more than 38 times from 1913 to 2015. No state in the United States is expected to pay lower than federal minimum wage (Rosciiglione, 2020). Wage review in the United States has nothing to do with Federal wage review. Unlike in Nigeria, states are productive states and control their own resources.

Nigerian senior professors make around N400,000 a month, which means a single senator's salary could support about 70 professors. This means that government priorities are moving away from what Nigerian workers need and towards the well-being of politicians, who don't make as much economic contribution to the country (Opone&Kelikwuma, 2021).

For example, in September 2019, the members of the National Assembly of Nigeria (NASS) voted to buy Toyota Land Cruiser sports utility vehicles (SUVs) worth around \$25,000 each, with a budget of \$5.5 billion (Olaitan, 2021). This was in stark contrast to the government's claims that the weak economy was a reason why they couldn't afford to pay Nigeria's minimum wage of N30,000. Delivery reports for the cars came out in March 2020, at a time when the economy was struggling and the underpaid workforce were in dire straits.

Challenges to Effective Minimum Wage Implementation in Nigeria

Generally, Nigeria's National Minimum Wage (NMW) is subject to a variety of difficulties, one of which is the Labour Market. Ojo (1998) in Alabi, (2019) suggests that the most influential factor in determining remuneration is the combination of supply and demand in a relatively competitive labour market. The importance of the price mechanism in this context is minimal, especially in a developing country such as Nigeria, due to the existence of market imperfections caused by a variety of government institutions, administrative structures, political processes, and social-cultural influences (Etekpe, Okolo &Igoli, 2015).

Nevertheless, Addison (2019) observed that the interaction between supply and demand still has some bearing. Because employers have the chance to hire top talent without necessarily paying the legal minimum wage, which may be viewed as excessive, periods of unemployment do not typically favor high pay. In a case where employment as well as allocation of wages is to be made by market forces, high wage movements are once again expected during periods of skill shortage in the labour market.

There are too many people vying for too few jobs due to the current state of the Nigerian labour market. In Nigeria today, unemployment and poverty are at unprecedented levels. The global economic downturn has resulted in a significant and unprecedented loss of employment, with many businesses relocating to other regions due to security-related crises and power sector issues. Additionally, Nigeria's taxation system is complex and burdensome, while the country's basic infrastructure is in a state of disrepair. Furthermore, the cost of conducting business in Nigeria has become prohibitively high, leading to a number of public sector reforms. In light of these factors, the Nigerian worker's capacity to request a new minimum wage has been significantly hampered. According to Fapohunda (2004) in Addison (2019), open unemployment was over 10% nationwide. Urban areas have the highest concentration of unemployment.

According to the Federal Office of Statistics (2011) in Opone andKelikwuma (2021), some states had urban unemployment rates over 20% as of September 2010. In addition to highly skilled workers, such as graduates of universities and other higher education institutions, unemployment also affects highly skilled individuals. According to Fajana (1983), there was a strong and unfavorable correlation between wage changes and employment in Nigeria's industrial sector. In

particular, the outcome demonstrated that an average wages level of 100% increase would result in a 23% decrease in employment. It was discovered that wages had some bearing on the expansion of industrial employment in Nigeria. The federal minimum wage increase was found to be a contributing factor to unemployment.

The legal framework is another challenge in relation to implementing Nigeria's 2019 minimum wage. The minimum wage is frequently not enforced. Government must order employers in the private sector to bargain with their staff in order to implement minimum wages. It is difficult for federal government agencies to enforce laws. The government at the federal level was unable to prove that it has enough personnel that are qualified to ensure that employers of labour, including the various state and local governments, are effectively and adequately adhering to the labour laws, such as the National Minimum Wage, are applicable in the workplace (Adesina, 2020).

The International Labour Organization (2008) notes that, regrettably, many countries lack adequate staffing for their labour inspection services, and the penalties for breaking minimum wage laws are too lax. Basically, this theory is backed up by looking at how many people are working for the Federal Ministry of Labour and Productivity compared to how busy the industry is. Because of this, minimum wages far too frequently continue to be a "paper tiger" instead of making it a useful policy. Compliance, according to Nwafor (2019b) is basically a function of both the severity of penalties for non-compliance and the likelihood that firms will be visited by labour inspection services. Therefore, it is undeniable that Ministry oversight is crucial to ensuring that the system of minimum wage actually is applied in reality/practice.

Deficit in awareness is also another challenge as identified by Nwafor (2019a). Many employees, as well as Nigerians as a whole, appear to be unaware of the minimum wage as well as the 2010 amendments to the Principal Act, making it difficult for them to demand them. The government, labour unions, and other people involved in the social world need to do a good job of educating the people and workers in Nigeria. Just like some state governors don't like the idea of raising the minimum wage. The degree to which different states adhere to the minimum wage varies. Part of the reason for this is that each state has a strong economy, and this has been a major factor in ensuring that employers in the public sector abide by any wage laws that the government has put in place since 1991 (Ochetenwu, 2020).

In Nigeria, the government at the federal unit appears to have a disproportionate influence over labour issues. The new minimum wage is frequently refused to be paid in some states. For example, in 2000, a number of state governments resisted paying the federal government's recommended minimum wage, which sparked numerous labour actions (Ochetenwu, 2020).

In 2000, Ifijeh (2019) stated that there was a huge wave of strikes across the country over how much the minimum wage should be, according to a report from the International Labour Federation (ILF) about labour strikes and actions by state governors. Civil servants in Lagos state started the protest, which quickly spread to the rest of the nation. In Lagos, workers in the public sector of about 47,000 went on strike which extended to two weeks, causing the garbage to pile

up, the water to run dry, and the collapse of the health system. Additionally, there were indefinite strikes by civil servants in at least 12 states. When a new minimum wage was proposed in 2010, the circumstance remained the same. This is very concerning, especially in light of the fact that, State governments were consulted specifically in 2010 and were represented in the tripartite committee in relation to national minimum wage (Sanni, 2019).

It quite pivotal to acknowledge the fact that labour disputes exacerbate the already sweltering political climate. There are also companies with a reputation for using unfair labour practices and paying their employees poorly. Unfortunately, some organizations have a culture of labour exploitation, and they use every opportunity to repress, repress, and repress their workers. These businesses take every precaution to avoid paying the minimum wage. Because the minimum wage applies only to companies with 50 employees or more, some employers turn their employees into “contract or casual workers” so that no company can have more than 50 employees (Soni, 2019).

Additionally, Olayinka, et al. (2018a) stated that Nigeria generally lacks trustworthy and accurate statistics. However, industrial production is not included in any establishment survey program, although it is one of the most important factors in determining the minimum wage. Similar difficulties include non-unionized employees, casualization, and contract workers. The majority of undue practices in relation to labour, including the denial of rights protected by current labour laws and ILO conventions, affect non-unionized workers. Workers who are not members of a union, temporary employees, and contract employees are more likely to have their rights and dignity violated.

It is no surprise, then, that the African Charter of Human and People’s Rights (ratification and enforcement act) of 1990, the constitution, current labour laws, and the ILO has a bunch of conventions that all aim to make sure that workers have the right to join a union so they can protect themselves. Plus, the economy is always changing, so employers do not always have the money to pay the minimum wage. The amount of wage payments compared to other payments, especially other labour costs (like the non-wage costs of hiring labour) may be difficult to quantify, but it would be necessary funds allocated to other production factors (Soni, 2019).

A further challenge or concern stated by Ochetenwu (2020) is the fact that the minimum wage is not applicable to smaller, unincorporated businesses, especially those operating in the informal economy. These businesses are unlikely to be impacted by minimum wage determinations and are more likely to employ family members and casual workers. These are the workers who are most likely to be affected by the absence of effective wage regulation (either through collective agreements or other means), as they are typically employed in households or in the informal economy. Work in small establishments or for shorter periods of time than is typical. The risk of receiving excessively low wages should be avoided for these workers, and minimum wage in this regard would be like a safety blanket for them. It’s important to think about how much their employer can afford to pay the minimum wage and how it could affect their job situation and how they work.

Prospects for Effective Minimum Wage System/Management

Firstly, Opone and (2021) said that the legal challenges dilemma must be appropriately resolved in order for the national minimum wage in Nigeria to be implemented and managed effectively. In the absence of viable legal support, what we regard as minimum wage expected not only to falls short of its set goal but also becomes little more than recommendations that are up to the parties to accept or reject.

The law should also be straightforward so that it is understandable to all parties involved (employers, workers, labour unions, employers union, and institutions responsible for enforcing it). In addition, it should include procedures that will enable employees and representatives of their union workers should be able to take advantage of their minimum wage rights, like being able to get back any money they've been underpaid, and they should be protected from being hurt for exerting their job (Etekpe, Okolo & Igoli, 2015; Adesina, 2020).

As stated by Abada, et al., (2029), effective compliance monitoring is also necessary. The numerous relevant organizations tasked with enforcing minimum wage compliance must be adequately staffed and given the resources they need to do their jobs. Focusing on making sure the minimum wage is being monitored and enforced everywhere in the nation must also be prioritized by organized labour. To ensure the minimum wage is implemented smoothly, there is need to work closely with the private sector, NECA, and state governments to make this happen.

Social dialogue and stakeholder consultation meetings must be held in addition to these. When it comes to minimum wage enforcement, it's really important that social partners are involved in the design and management. That's what the ILO said in their update on minimum wage developments. The update said that the UK held consultation meetings with stakeholders to talk about the pros and cons of proposed changes to the enforcement system in light of the increasing problems of not paying minimum wages.

Additionally, the US Department of Labour take into cognizance the fact that the Fair Labour Standards Act has seen a decrease in enforcement between 1997 and 2007, so employers and workers' organizations need to plan their enforcement efforts to make up for it. To do this, Nigeria can follow global best practices, like having good dialogue and consultation with stakeholders to make sure the minimum wage is properly implemented and managed, so that there's peace and harmony in the industry and the economy after the recession (Rosciiglione, 2020).

Following Tajma and Nick (2020), there is as well need to always have meetings with the social partners to come up with a plan on how to set the minimum wage for different industries, like the public service, in order to prevent industrial crises brought on by the national minimum wage. In order to eliminate ignorance and ensure that individuals are cognizant of their legal entitlements, and appropriate measures must be taken to ensure proper promotion of the minimum wage regulations and the minimum wage legislation in languages and dialects that are comprehensible to workers, including those who are illiterate. In order to deter non-compliance, proper and reliable enforcement mechanisms with sufficient legal support are also required.

The minimum wage would not be successful or useful if there were no adequate means of enforcing it. When the penalties are light, lack of compliance may be prevalence. This paper advocates for strong penalties against bad states as well as such organizations that may default. The current Nigerian Laws in relation to Minimum Wage have very minimal penalties, which warrant review. For example, It is proposed that the provisions of Section 8 of the principal Act (National Minimum Wage Act 1981) be amended to read as that a fine of not more than N100 000 or a term of imprisonment of not more than six months, or a combination of the fine and imprisonment (Sanni, 2019).

In order to deter organizations from breaking the law, The Principal Act's Section 3, which provides for a maximum fine of N100 and, in the event of a continuous infringement, a maximum daily penalty of N10 for each consecutive day of the infringement, should be amended accordingly. Special consideration should be given to the level of remuneration for unskilled workers, as employers' ability to pay can vary significantly between establishments of varying sizes.

Concluding Remarks and Recommendations

The labour-government unrest in Nigeria, particularly with referenced to the issues in relation to implementing 2019 minimum wage are undoubtedly at the peak. This is a sign that sixty years after gaining independence, the country has yet to set up an efficient institution to handle issues related to the minimum wage in the country. The story of the national minimum wage in 2019 is no different. Its creation was the result of long, drawn-out and difficult negotiations that were marked by strike threats, warning strikes, and even actual indefinite labour strikes. The government even threatened workers with no work and no pay as currently faces by ASUU.

In this regard, the paper unraveled that if anything, social and working conditions for all workers are rarely mentioned by Nigeria's governments at any level. The reality is that, even with a new minimum wage of \$1.00 per day (N30,000 in 2019), which has been exceeded by inflation, Nigeria's civil servants live below the poverty line and are among the lowest-paid in the Committee of African Nations. National assembly members and political appointees, on the other hand, receive fake salaries because that appears to be a priority for the government rather than the well-being of general workers. In contrast, other nations have standing machinery that focuses on labour economics and determines the circumstances and timing of a minimum wage review.

It is thus apparent that Nigeria's frequent confrontations between the government and labour, which have a detrimental effect on cordial industrial relations, the lack of standing machinery that is functional that may center on labour economics and determining the main issue seems to be the timing and circumstances surrounding a minimum wage increase/review. Obviously, due to the government's political stance toward labour demands, industrial actions have multiplied to the point of being one action too many. The aforementioned indicates that the Nigerian government-labour negotiation and implementation process regarding new minimum wage is unable to currently ensure the welfare of workers as expected due to the enormous challenges bedeviling its processes.

Therefore, it is imperative to recommend that the Nigerian government create an index-controlled salary adjustment template that will automatically raise employees' minimum wages by a certain percentage whenever necessary. Impliedly, in order to comply with its obligations to the International Labour Organisation (ILO), NLC and TUC, the Nigerian government must implement a functioning system for the establishment and regulation of the minimum wage as soon as possible in order to alleviate the effects of the increase in oil prices, which are major contributors to the country's economic growth and development

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