

New National Minimum Wage and States' Viability in Nigeria's Fragile Economy

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Abstract

In organization, labor has remained the vital machine upon which other factors of production have relied. It is being paid wages and salaries as part of the compensation for its contributions to the growth and development of the organization. In Nigeria, following her political independence in 1960, the labor has ensured the continued day to day execution of decisions and policies of the state. Worrying is the fact that despite the tremendous roles played out by the nation's workforce, its wages had been compromised and always been a subject of debate by levels of governments involved. However, arising from the established premise, it is the thrust of the paper to investigate critically, the viability of various states governments in complying with the new proposed national minimum wage bill of fifty-six thousand naira; and variables that could be determinants to the successful implementation of the new proposed national minimum wage. Methodologically, the study adopted a mixed-method approach in generating its data; and was analyzed using tables and simple percentages. The framework of analysis was anchored on the systems theory of industrial relations, as propounded by Dunlop in 1958. The findings of the study have significantly revealed that when the proposed new national minimum wage bill act is promulgated into law, the states will abdicate their roles and retreat to oblivion. Therefore, arising from the findings of the study, the paper recommends among others; the exhibition of financial discipline and transfer of the states' security votes to payments of the workers.

Keywords: *Nigerian states, Minimum Wage, Viability, Security votes, Industrial democracy*

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Background to the Study

In the social relations of production, labor remains the most necessary instrument for the growth and development of the institution. As a factor of production, it has continued to boost the productivity of the organization, thereby enhancing the product margin. Labor as a factor of production is always entitled to either wages or salaries which accrue to it at the end of the month as part of compensation. It is natural that people at any level or stage of production work with the strong objective of receiving payment for his or her services rendered at the period, usually stated clearly in the contract of employment jointly agreed by the two parties.

However, following the May 1886 killings of striking workers in Chicago, the issue surrounding labor and wages determination has continued to take a paradigm shift. Before then, in 1814, the minimum wage was first recognized by New Zealand Industrial Conciliation and Arbitration Act. The court has since then, charged with fixing the minimum wage and settling any industrial conflicts that might emerge (Kester & Adeyeye, 2002, Onyeche & Edet, 2017 & Starr, 1981). In Nigeria, wage employment was conceived into practice during the colonial period in late 1880 when Richard and John Lander, another set of an explorer from the United Kingdom that took only from Mongo Park who was unable to complete his second expedition of tracing the source of River Niger due to his death on 1859. (Yesufu, 1982, Iwuji, 1980). The early attempt at recognizing wage and national wage was made in 1954, in the former western regional government. The regional government deemed it necessary to cater to the interests of let workers, aimed at paying the workers more than fifty kobo per day for a four-hour week work (Onyeche & Edet, 2017). Although the government of the old western region suggested the pay program to the government at the center, the later set committee to investigate and report based on the terms and conditions. It was discovered that no sooner than the committee started, it rejected the suggestions made by the western region. The point of departure by the committee was the fact that adoption of a national minimum wage will amount to sporadic and galloping inflation, unemployment and utmost causing a national industrial strike.

Furthermore, since the independence of Nigeria in 1960, the federal government has been working round the clock to alleviate the yearnings of working populace. This is reflected in the periodic reforms of the civil service. The government has always set up Adhoc Commissions to consider wage revisions during periods of labor discontent. In his maiden address in the International Workers' Day 2017, the president, Trade Union Congress (TUC), Bobboi Bala Kaigama reiterated the poor living conditions of Nigerian workers by saying that high inflationary rate has adverse effects on the agreed minimum wage of eighteen thousand naira (N18,000). It is significant to recall that, in 2017, the labor submitted a proposal of fifty-six thousand naira and ninety thousand naira (N90,000) to the federal government as new minimum wages, describing the eighteen thousand naira as poor and cannot take a worker from his place of pay point to the gate. According to Alade Lawal, the secretary-general of Association of Senior Civil Servants of Nigeria (ASCSN), he berated the federal and states government over their neglect on payments of the agreed national minimum wage. He established that, in some countries like Argentina, workers received as minimum, \$6,370 per month; Algeria, \$2,145; Botswana, \$652; Brazil, \$3,660, Chad \$1,217, Republic of the Congo;

\$1,826; Ecuador, \$5,124, Equatorial Guinea, \$2,618; Estonia, \$6,534; Gabon, \$3,043 while Nigeria's minimum wage of N18,000 translates to \$59 which is the lowest among the communities of nations.

The controversies surrounding payments of the eighteen thousand naira (N18,000) minimum and the proposed minimum wage of fifty-six thousand naira (N56,000) have not been ceased from permutations and projections by the so-called apostles and prophets of the economy (Economists). The present state of the Nigerian economy which is characterized by fragility, recession, modulation, and re-modulation have continued to pose serious threats to various state governments on payments of the minimum wage. The aphorism that Nigerian workers to smile soon is an aberration. The minister of labor and employment, Dr. Chris Ngige who maintained that the fate of Nigerian workers will change immediately after the approval of fifty-six thousand naira by the federal government. He continued to emphasize that the federal government has set up the National Tripartite Committee that will conclude in the third quarter of 2018.

Considering the agreement to the terms and conditions to work, the proposed fifty-six thousand naira has not augured well with most governors who were still battling to cope with the payments of eighteen thousand naira (N18,000); other governors have failed woefully to meet up with the payments of the eighteen thousand naira (N18,000) minimum wage. However, despite the fragility of the Nigeria economy, various state government and governors continue to receive their monthly statutory allocations and security votes without exhibiting systematic financial discipline. Reflecting on the likely achievements of the committee on the new proposed minimum wage, it will work out an acceptable minimum wage. The committee was made up of Governors' forum, representatives of Nigerian workers (NLC and TUC) and the Nigerian Employers Consultative Assembly (NECA).

The refusal by most state governors to pay the N18,000 minimum wage is premised on the fact that the monthly allocation received is inadequate to meet the current wage bill, and other development projects (Eme and Ugwu, 2011). The extent to which states government comply with the payments of the eighteen thousand naira (N18,000) minimum wage, might determine the new proposed minimum wage of fifty-six thousand naira. Some states have the financial capability to pay while others may not have the monies to pay the workers. The implication for the implementation of the new proposed national minimum wage is that the present state of economy coupled with vagaries in the level of the international market might conscript the states from paying the newly proposed one, since many states have not started implementing the payment of the eighteen thousand naira.

Conceptual Clarification

Minimum wage

The concept of wage and the minimum wage has in recent time takes a new dimension. This is as a result of plethora of perspectives arising from the varying views of scholars and public policy experts. Though, the concept of minimum wage seems to have lacked focus, writers in the scholarship notwithstanding have penned down little or more on the trending cases of a

minimum wage in the global realm in general and Nigerian in particular. According to Ethical Trade Initiative cited by Nwude (2013), the minimum wage is the wage that allows a worker to provide for himself and family to buy essential medicines, send children to school and to save for the future. Likewise, Onuegbu (2010), conceives it 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. On his contribution, Abudu (1987), states that the national minimum wage is the lowest wage legally payable in an economy. It is the minimum monthly salaries payable to workers as provided by the subsisting minimum wage law.

Earlier in 1967, the International Labour Organization meeting of experts on minimum wage fixing and related problems explained that the concept of the minimum wage contains three basic ideas.

The first is that the minimum wage is the wage considered sufficient to satisfy the vital necessities of food, clothing, housing, education and recreation of the workers, taking into account the economic and cultural development of each country. Secondly, minimum wages represent the lowest level of remuneration permitted, in law or fact, whatever the method of remuneration or the qualification of the worker. Thirdly, the minimum wage is the wage which each country has the force of law to uphold and which is enforceable under threat of penal or other appropriate sanctions (ILO, 1967, Oforle, 2014)

It is pertinent to underscore from the above extract that what Nigeria government regards as the minimum wage is at fault and not minimum wage. The fact that minimum wage has been considered by International Labour Organization (ILO, 1969) as wage sufficient to satisfy the vital necessities of primary needs of the workers is a paradigm shift to what is obtainable in Nigeria. The current minimum wage of eighteen thousand naira (N18, 000), hardly takes a worker from his place of pay point to his rented apartment which he has not paid for the current year's rent.

Furthermore, ILO (1967), has maintained that each country has the force of law to uphold and enforce under threat of penal or other appropriate sanction. This implies that minimum wage must have legal backing of the fundamental law of the country. In Nigeria, section 2(1) of the National Minimum Wage Act of 2011 states that;

From the commencement of this Act, it shall be the duty of every employer to pay a wage, not less than the national minimum of N18,000 Naira per month to every worker under his establishment (National Minimum Wage (Amended) Act, 2011).

Even though minimum wage has the backing of the law, many states government and the private establishments have failed to comply with the dictates of the law. Many states in Nigeria have ceased itself from paying the workers, their salaries for over months. These states which include among others, Ekiti, Osun, Oyo in southwestern region; Imo, Abia in the southeastern region and Kogi, Kwara in the North central and very many others states from other regions in the northern part of Nigeria.

The recent policy statement on the proposed minimum wage of fifty-six thousand naira by the administration of President Muhammadu Buhari has put acute fear to various state governments and other private establishments. They claimed that, paying the enacted eighteen thousand naira (18,000) has posed a serious threat to the continued existence of the state, since the later is at the verge of collapsing. The present state of the economy has forced states incapable of discharging its terms of the contract. The payments of the proposed fifty-six thousand naira which is more than a hundred percentage (100%) increase when enacted into law will force the state in recession.

Wage Determination

Wage determination like every other concept in Economics and Industrial Sociology has attracted a varying degree of explanations and definitions from scholars. This is as a result, that people have continued to interchange wage determination with wage-fixing. It is important to note that the general principle of minimum wage fixing has gradually gained wider acceptance, but the implementation of the principle has remained a highly controversial and problematic process (Starr, 1981). This could be attributed to various forces of demand and supply prevailing in the domestic market, public policies and vagaries in the international market.

However, conceptualizing wage determination, Oforle (2014:143), sees it as the listing of wage rates and fringe benefit rate for each classification of laborers and mechanics. In their contributions to wage determination in Africa, Kester and Adedeye (2002:3), maintained that in Africa, during the colonial period, many African colonies introduced minimum wages soon after the first world war to prevent abuses in the living of indigenous workers under forced labor arrangement. The determined forces for the wage were the prevailing state of the economy, size of the labor force and paid wages in other colonies other than British territories. It was the British government through her oversea colonies that commanded the minimum wage fixing machinery convention of 1928 (Kester and Adeyeye, 2002: 3).

Furthermore, Durban Chamber of Commerce and Industry (1856); Sulaiman (2012), have pointed out the factors that determine the wage rate of the nation. They maintained that in considering the determination of minimum wage, several other important criteria are usually considered; the ability of the employer to pay the mandated wage, regional differences in the cost of living, prevailing labour market situation, interaction of the supply and demand of labourer in a relatively competitive labour market; the productivity of the individual worker in relation to other workers conducting comparable work in other institutions or industries and the relative power afforded to labour union etc. Likewise, Oforle (2014:145), posited that in determining the wage rate of a country, there is the need to take into cognizance the factors that stand against wage determination. He maintains that the factors affecting wage determination of a nation to include; the organization's ability to pay, the invisible forces of demand and supply of labor, prevailing market rate, cost of living and skill levels available in the market. In Nigeria, the actors in determining the wage rate include the tripartite institutions of government, represented by the Ministry of Labour and Employment, the employer, represented by the Nigerian Employers Consultative Association and the workers, represented by Nigerian Labour Congress and Trade Union Congress (NLC and TUC).

Literature Review

The research process of reviewing extant literature cannot be overemphasized. This is attributed to the import it plays in the cultivation of knowledge. It is important to underscore here in the necessities behind literature review as it takes into cognizance the current state of the knowledge in the area of investigation, appreciation of findings and methodology; and systematically identifies the gap or lacuna in knowledge of the subject or topic of investigation. However, the review and appreciation of relevant extant literature will be organized under the following themes:

Evolutionary Trends of Minimum Wage in Nigeria

In what pre-date present modern Nigeria, there existed an element of wage and the minimum wage in different societies. The essence was to maintain justice and a sense of belonging. The laborers were taken care off by the Chiefs who employed them into their farmlands. Though, there was no system of monetization, but the transactions were carried out through the process of barter system. It has been generally known among the workers that spending some hours on the farm or vineyard attracts quantifiable items from the employers. These terms and conditions of employment continued till the time colonial masters emerged and subsequently introduced the money system and relegated own system of wage determination.

Furthermore, modern wage negotiation and increment date back to the period and epoch of colonial regimes and were associated with civil service reform programs. (Oforle, 2014:151). The first attempt at fixing a national minimum wage in Nigeria were made in October 1954 when the former western regional government proposed to supplement the wages of unestablished workers under its employment so that no employee would receive less than five (5) shillings per day for a 44- hour week work (Onyeche & Edet, 2017:160). Although the western wage supplement was suggested to the federal government, later turned it down by arguing that it could lead to a national industrial strike.

Following the independence of Nigeria in 1960, the government has involved itself in reforming the civil service to reflect the prevailing state of the nation's economy. These were as a result of continuous agitation and cries of workers. The labor had intensified its struggle for wage increases and reforms due to the harsh conditions of the economy. In 1963, the Morgan commission was set up to address dramatic pressure emanated from the Joint Action Committee (JAC), demanding for an increase and improvement in the working conditions of the labor.

According to Obikeze and Obi (2004); Yesufu (1984), they maintained that the Morgan commission made a recommendation for a uniformed wage structure for both government and private employers. It is also recommended that minimum wage should vary between E.U (N22) and E.16.6s (N33.60) per month depending on the part of the country. The recommendations were immediately rejected by the Northern region as they were controlling the government. The Northern unilaterally reviewed Morgan wage zones and reduced it from four (4) to two (2) and granted wage increase that averages ten percent on the excuse of showing appreciation to labor leaders who helped in bringing the 1964 national strike to an end (Obikeze and Obi, 2004).

Moreover, after the Nigerian civil war in 1970, the federal government set up the Adebo commission in 1971. This was projected to cushion the effects of hardship associated with the three years of civil war. According to the federal ministry of information, the commission was adequately given the mandate to review the wages and salaries of workers at all levels, in all the public services, and in the statutory public corporations and state-owned companies and of the staff of local authorities, the universities and teachers in government-assisted states (Oforle, 2014; Obikeze, 2004, Udenta, 1994; & Fashoyi, 1992). According to Eze, (2005); Adebayo (2002) and Ezeani (2004), aver that Adebo commission at the end of its exercise recommended a popular three-zone minimum wage structure which must be enforceable. Each zone would have a minimum parallel with an award in respect of public employees which was about thirty percent (30%) to forty percent (40%) higher than the legal minimum (Obikeze and Obi, 2004). It is interesting to recall that the commission recommended the establishment of a National Board on Productivity, Prices, and Income that would take care of rationalizing and harmonizing payments. (Adebo Commission Reports, 1971; Yesufu, 1984).

The institutionalization of Udoji commission in 1972 was a serious landmark to the anal of public service in Nigeria. Despite the broad specifications and terms of reference, the commission took into cognizance the wages of the workers. The commission recommended among others a geometric increase in the minimum wage of workers from former annual pay of N312 to N630, but later increased to N720. The reports of Udoji commission degenerated a lot of discontents and industrial unrest, and; this forced the government at the center to quickly rise to arrest the situation by setting up a committee headed by Akintola Williams. The minimum wage was intended to apply only to the public sectors, but the salary awards were extended to the private sectors following state of industrial disputes (Onyeché & Edet 2017, Federal Ministry of Information, 1972).

Furthermore, at the return to democratic rules in 1999, the federal government deemed it necessary to cushion the effects of the economy on the workers as their take-home pay can no longer take them to their respective homes. According to Eme (2010), he maintained that as part of efforts aimed at reforming the pay regime, the then president Olusegun Obasanjo set up in 2004 and 2005, two committees; the Wages, Salaries and Emolument Relativity Panel led by Professor E.C. Edozien, and the Presidential Committee on the Consolidation of Emoluments in the public sector, headed by Chief Ernest Shonekan. The most important and pressing factor recommended in the white paper was the increase of salaries by 15% with effect from 1st January, 2007, and with further 10% increase each year for the next five (5) years for Ministries, Department, and Agencies (The Nation, 2009; Eme, 2010). The struggle by the workers to increase their wages and salaries did not end with Obasanjo regimes. It continued with intensified effort due to the harshness of the economy to the Nigerian populace. In 2011, the former president Goodluck Jonathan signed in to law after tumult negotiations and bargaining among the tripartite forces to industrial relations system. The National Assembly approved the minimum wage bill into law on 23rd February, 2010. The law contained therein a minimum of N18, 000 as salaries for workers in any establishment. Recently, there is an agitation coming out from the organized labor for an upward review of the salaries and wages.

This has led to the proposed National Minimum wage of fifty –six thousand naira (N56, 000). But the fact remains if the state government and other establishments can pay when signed into law since the payment of eighteen thousand naira (18,000) has not adequately taken effect in every states and establishment.

Table 1: Minimum Wage Review, 1934 – Date

S/N	Commissions	Year	Amount approved	Government / Administration
1	Hunt Commission	1934	-	Colonial government
2	Bridges Committee of Enquiry	1941	-	Colonial government
3	Tudor Davies Commission	1945	-	Colonial government
4	Harrigan Commission	1946	300P/A	Colonial government
5	Miller Commission	1947	-	Colonial government
6	Philipson Adebo Commission	1948	-	Colonial government
7	Gorsuch Commission (Hansbury)	1954	-	Colonial government
8	Mbanefo commission	1959	15%- 20% increase	Alh. Abubakar Tafawa Balewa
9	Adeyinka Morgan Commission	1963	-	Alh. Abubakar Tafawa Balewa
11	Elwood Commission	1966	-	Alh. Yakubu Gowon
12	Simon Adebo Commission	1971	Bonuses	Alh. Yakubu Gowon
13	Jerome Udoji Salary Award Commission	1972	312 – 650 – 720 review	Muhammad Buhari
14	Alh. Shehu Shagari Wage Review	1981/1982	Wage freeze	Alh. Badamosi Babangida
15	Dotun Philips Panel	1985	-	
16	National Minimum Wage Decree No 43	1988	-	Alh. Badamosi Babangida
17	Farri Williams Commission	1990	-	Alh. Badamosi Babangida
18	National Salaries and Wages commission Decree 1993	1993	-	Abdulslami Abukaar
19	Ayida Review Panel	1994	-	Abdulslami Abukaar
20	National Salaries, Incomes and, Wages Commission, Decree no 17 of 1999	1999	-	Chief Olusegun Obasanjo
21	National Minimum Wage Act No 1	2000	N5500 and N7,500 (for state and federal government)	Chief Olusegun Obasanjo
22	National Minimum Wage (Amended)	2003	-	Chief Olusegun Obasanjo
23	Ernest Shonekan Committee	2005	Wages Reviewed	UmaruYar'adua
24	Salary Review	2009	₦52,200	UmaruYar'adua
25	Justice S.M.A. Belgore	2010/2011	₦18,00	Goodluck Ebele Jonathan

Sources: Authors' Compilation, 2019.

States' Viability in Post-Recession and Wage Implementation in Nigeria

The claims and counterclaims on the state of the Nigerian economy have continued to linger. This is a result of the fact that the indicators of viable economies are lacking. The weak purchasing power coupled with a high rate of unemployment and hyperinflation has conscripted the country from actualizing her needful. Despite the media reportage that agriculture, trade and information and communication have contributed 22.97%, 17.1%, and 12.39% respectively in the second quarter of 2017, it seems that all is not enough to boost the Gross Domestic Productivity (GDP) to attain maximum national income.

The promulgation of section 2(1) of the National Minimum Wage Act of 2011, which states; from the commencement of this act, it shall be the duty of every employer to pay a wage not less than the national minimum of N18, 000 naira per month to every worker under his establishment. This implies that minimum wage fixing and determination is under the exclusive legislative list and the federal government has sole power and authority to legislate upon it. Though some states have agreed and started paying and others are yet to comply with the payments. The total negligence of defaulting states and their governors to pay the National Minimum Wage of N18, 000, is the shortfall in the monthly allocations accruable to the state coupled with low return in the internally generated revenue (IGR) by various states government.

However, according to Oforle (2014:155), he avers that the extent to which states comply with the payments of the minimum wage differs from one state to the other. This, he maintains that it might be to very large extent financial strength of individual states, which has been recognized since 1991 as a central factor in public sector employers' compliance with any wage directive from the federal government in Nigeria. The inability of the states government to comply adequately with the payment of N18, 000 has withered the possibilities of adhering to the new proposed national minimum wage of fifty-six thousand naira when enacted.

The demand for an urgent upward review of the national minimum wage of eighteen thousand naira (N18,000) to fifty-six thousand naira (N56,000) came in to focus when national president of the Nigeria Labour Congress, Comrade Ayuba Wabba condemned in utterly the perceived pension legislation by some states government and the National Assembly to pay pension to formers. (Eme and Ogochie, 2017). This was not justifiable by workers who were experiencing harsh economic effect as a result of drastic and serial fall in the oil price of petroleum at the international market. The implementation of the newly proposed minimum wage has brought adverse effect on private establishments. There is fear by private organizations on the payment of the proposed minimum. The fear came as a result of inabilities of the private establishment to pay eighteen thousand naira, let alone complying with the proposed fifty – six thousand naira (N56, 000) national minimum wage. Some private organizations have done every possibility to default from complying and have resorted to either employing their staff or converting the existing workforce to contract or casual staff to avoid having up to fifty staff that would attract the organization to pay the minimum wage.

However, setting up penalties for defaulting states and private establishments will determine the success of minimum wage legislation in Nigeria. According to a section of the principal Act (1981), it stated a fine not exceeding N500 or imprisonment for a term not exceeding three months or both. Section 3 of the same Act, prescribes the fine not exceeding N100 and in the case of a continuing offense, a fine not exceeding N10 for each day during which the office continues.

Theoretical Framework

The understanding of the frames and structure of organization and its culture a lot of theories are abounding; stakeholders' theory, unitary and pluralist models, institutional school of thought, etc, but peculiarity in the study is the use of systems theory of industrial relations as propounded by John Dunlop (1958); in his magnum Opus titled "*Industrial Relations Systems*". He identified industrial relations as a system or web of rules that regulate employment and the various ways people at work behavior. Dunlop continues to emphasize that the role of the system is to produce the regulations and procedural rules that govern how much is distributed in the bargaining process and low the parties involved or the "actor" in the industrial relations scene, relate to one another (Armstrong, 2009:880).

The major assumption and propositions of the systems theory of industrial relations which have been validated by the writing of Alan Flander (1968:5) include among others:

1. Industrial relation is an area of relations between three principal actors, worker (labor) and their organization, employer and their organization and government agencies concerned with the workplace and worm community (Dunlop, 1971:6; Fashoyin, 2011:4).
2. The system is expressed in many formal or informal guises; legislation and statutory orders (Armstrong, 2009:881).
3. An industrial relations system comprises certain contexts, an ideology which binds the industrial relations systems together (Fashoyin, 2011:4)
4. The environmental variables of industrial relations systems which impinge on the perfect working of the system – the technological variables and work commentary; and the locus and the distribution of power in the larger society (Fashoyin, 2011:4; Obikeze & Obi, 2004: 292 – 297).

Theoretical Application of Dunlop's Systems Theory of Industrial Relations

In every social systems and unit, labor exerts a tremendous role in ensuring achievements of the stated goals. This implies that in the long run, the objectives of informal group interests begin to play out; and always clash with the interest of the larger organization's goals and objectives. The ability of the organization to respond and address the bone of contention defines the direction and behavior of the workforce.

In Nigeria, the system of industrial relations and management is an arena of relations amongst the tripartite of organized labor represented by Nigeria Labor Congress and Trade Union Congress, the employers of labor, represented by Nigerian Employers Consultative Assembly and the government; represented by Ministry of labor and Productivity. The enactment

section of National minimum wage Act, 2011 section 8 of Principal Act 1981 and section 2 of same Act had made it clear that each actor, especially the employers have certain obligations to fulfill to her employees. For the fact that industrial relations operate in an open system, there are a lot of exogenous variables that formed to constraint its workings. The environmental factors have conditioned the inputs-output of the system in its distribution of power. The inability of states to pay the existing national minimum wage of eighteen thousand naira, let alone the proposed national minimum of fifty-six thousand naira (56,000) can be located herein. The ecology of Nigerian public administration coupled with the character of developmental and post-coloniality of African states, has forced the states to retreat, maintain its inabilities to pay the minimum wage to her workers.

Methodology

Minimum wage is a national issue that cut across the entire Nigeria state. It is applicable in both public and private establishments that have required a number of employers accepted by the labor act, 2011. But, due to a lack in feasibility and management of the population of workforce of the federal and state governments, validated instruments were designed to capture the purpose of the study. The questionnaire was administered through monkey survey. The essence was to capture respondents from so large population. The designed instrument was left to public responses for seventeen days (17days). The total numbers of questionnaire retrieved were eight thousand one hundred and twenty-two (8,122) and it forms our sample size.

Data Presentation and Analysis

The presentation of data is aimed at analyzing the information gathered from the field survey based on the scheduled and structured questionnaire.

Section A: Socio-Economic Characteristics of the Respondents

Table 2: Distribution of the Respondents by Sex

S/N	Sex Distribution	Frequency (F)	Percentage (%)	Cumulative frequency (CF)
1	Male	5,385	66.30	66.30
2	Female	2737	33.70	100.30
	Total	8,122	100.00	

Source: Field survey by Authors, 2019

The table above represents the distribution of the respondents by sex. From the sample size of eight thousand one hundred twenty-two (8,122); male has the population of five thousand, three hundred and eighty-five (5,385) persons, representing sixty-six points three percentage, (66.30%) of the population of the study. On the other hand, the female gender constitutes thirty-three point seven percent (33.70%), amounting to two thousand seven hundred and thirty-seven (2,737) persons. The above cumulative frequency amount to hundred (100) and total percentage, hundred.

Table 3: Age Distribution of the Respondents

S/N	Age Distribution	Frequency(f)	Percentage (%)	Cumulative Frequency
1	20-29 years	1,063	13.09	13.09
2	30-39 years	1,0472	18.12	31.21
3	40-49 years	2,186	26.91	58.12
4	50 -59 years	2,509	30.90	89.02
5	60 years and above	892	10.98	100.00
	Total	8,122	100.00	

Source: Field Survey by Author, 2019.

The above table depicts data gotten from the age distribution of the respondents. The age bracket of 20-29 years has the frequency of one thousand, sixty-three (1,063) persons which constitute thirteen point zero nine percent (13.09%). The total of one thousand four hundred and seventy-two (1472) persons had the age bracket of 30-39 years with eighteen points one, two percent (18.12%). Likewise, the age distribution of 40 – 49 years has a population of two thousand one hundred and eighty-six (2,186) persons of the total sample size of 8,122. The population that formed the age bracket of 50-59 years has the frequency size of two thousand five hundred and nine persons (2,509), which represents thirty percent (30%) of the sampled population. Those that belong to sixty years and above constitute ten points nine, eight percent (10.98%) of the sample size of eight thousand one hundred twenty-two (8,122), with frequency size of eight hundred and ninety-two (892) persons.

Table 4: Marital Distribution of the Respondents

S/N	Marital Status	Frequency (f)	Percentage (%)	Cumulative Frequency
1	Single	1,735	21.36	21.36
2	Married	4,368	53.73	75.14
3	Divorced	811	9.99	85.13
4	Widow	1,208	14.87	100.00
	Total	8,122	100.00	

Source: Field Survey by the Authors, 2019.

The above depicts the marital distribution of the respondents. It is clear that, out of eight thousand, one hundred twenty-two sampled population, the single or yet to be married have the frequency size of one thousand, seven hundred and thirty-five (1,735) person which represents twenty-one point three percent (21%) of the population of the respondents. The population of the respondents; married, divorced and widow is four thousand, three hundred and sixty-eight (4,368); eight hundred and eleven (811) and one thousand and two hundred and eight (1,208) respectively. Their corresponding percentages; fifty-three points seven, eight percent (53.78), nine points nine, nine percent (9.99%) and fourteen points eight, seven percent (14.87%) respectively. The total cumulative frequency of marital distribution is hundred (100).

Table 5: Responses of the Respondents on the Factor that Impinge on the Viability of State Government and its Implementation of the Newly Proposed National Minimum Wage of Fifty-Six Thousand Naira

S/N	Variables (V)	Number of Respondents	Percentage of respondents (%)	Cumulative frequency
1	Vagaries / fall in the oil price at the international market	2,143	26.39	26.39
2	Shortfalls accruable to states as to statutory allocations	1,694	20.86	47.25
3	Poor internally generated revenue	1,162	14.18	61.43
4	Low culture of financial discipline	212	2.61	64.04
5	Ineffective monitoring and evaluation	603	7.42	71.46
6	Poor implementation of the N18,00 minimum wage	2,318	28.54	100.00
	Total	8,122	100.00	

Source: Field Survey by the Authors, 2019

The above table represents the responses of the respondents on important issues as variables. From the total sample, population, two thousand, one hundred and forty-three persons reacted that unpredictable change in the prices of oil in the international market will stand to hinder the implementation of the new national minimum wage when promulgated. Also, one thousand six hundred and ninety-four respondents which represent twenty points eight, six percent (20.86%), identified that abysmal allocations gotten by various states can nowhere contribute to the implementation of the national minimum wage of fifty-six thousand naira (#56,000) when enacted. Fourteen point one, eight percent (14.18%) which represents one thousand one hundred fifty-two (1,152) respondents reacted that the possibility of implementing the new proposed minimum wage of fifty-six thousand naira (#56,000) will be hampered by poor revenue generation by states. Likewise, two hundred and twelve (212) persons, represented by two point six, one percent (2.61%), maintained that, the inability of some states to pay minimum wage has been a problem of a poor culture of financial discipline exhibit by some state government. Six hundred and three (603) respondents, represented by seven point four, two percent (7.42%), see ineffective monitoring and evaluation as factors that had conscripted the ministry of labor and productivity from actualizing the implementation of the minimum wage. Also, a total of two thousand, three hundred and eighteen (2,318) respondents represented by twenty-eight point five four percent (28.54%) from the sample size, claimed that the implementation of the newly proposed national minimum wage will not see the light of the day, since majority of states have failed to comply with the payments of the token of eighteen thousand naira (#18,000) as the minimum wage, let alone paying fifty-six thousand naira (#56,000) as the minimum wage.

Table 6: Responses of Respondents on the Successful Implementation of the New Proposed National Minimum Wage of Fifty-Six Thousand Naira.

S/N	Variables (V)	Number of Respondents	Percentage(%) of Respondents	Cumulative Frequency (CF)
1	Transferring suites security votes to payment of workers	4,581	56.40	56.40
2	Diversification of states' economies	1,215	14.96	71.36
3	Coercive apprehension and sanction of defaulting states and private establishments	427	5.26	76.62
4	Reduction of security details and cost of governance	1,031	12.69	89.31
5	Periodic harmonized biometric exercise	868	10.60	100.00
6	Total	8,122	100.00	

Source: Field Survey by the Authors, 2019

The above table reflects the responses of respondents on the likely successful implementation of the new proposed national minimum wage of fifty-six thousand naira (#56,000). From a total sample size of eight thousand, one hundred and twenty two (8,122) respondents, fifty six point four, zero, representing four thousand five hundred and eighty one (4,581) respondents, maintain that the success of the new proposed national minimum wage of fifty-six thousand naira (#56,000) when signed in to law can only be actualized if states government would deploy their monies from security votes to pay workers' salaries. Also, fourteen point nine, six percent (14.96%) representing one thousand two hundred and fifteen (1,215) respondents pleaded for diversification of the economy by the states. On the other hand, a total of four hundred and twenty seven (427) respondents represented by five point two, six percent maintain that the use of coercive means by the federal government through the federal ministry of labor and productivity and industrial court of Nigeria would help to instill discipline and ensure compliance by various states' government and other private establishments as contained in the Minimum Wage Act, 2011. Also, the totals of one thousand, thirty one (1031) and eight hundred and six-eight (868) respondents concluded that the possibilities of the newly proposed national minimum wage of fifty- six thousand naira (56,000) will only be implemented when the states reduce their cost of governance and security details coupled with regular or period harmonization of the workers through the instrumentation of biometrics to avert the inflation of number of workers by state.

Findings

It is conventional wisdom, that labor deserves his wage, but efforts should be exerted to review the wages accruable to the labor from its employers. The paper is devoted to appreciating, the new proposed national minimum wage and state vulnerability to the payment of the wage when enacted into law by the National Assembly. The payment of the new proposed minimum wage will be determined by the state of the economy; amount accruable to states government in the form of statutory allocation, internally generated revenue and diversification of the economy of the nation. Recall that the history of industrial relations in Nigeria has been an upward review of the wages and allowances for the workers; but the present state of the economy has become unbearable on the labor force as eighteen thousand naira (#18,000) minimum is too little to take the labor from his pay point to his house.

However, arising from critical study, the papers arrived at the findings that the inability of the various states to comply with the payment of the present minimum wage of eighteen thousand naira (#18,000) can be attributed to vagaries in the price of oil at the international market; large size and over blot in number of civil service contained therein the payroll and poor financial discipline exhibited by state governors coupled with high cost of governance.

Result of the Findings

Arising from the findings, the paper sets to implicate that unless the states and other private establishments are coerced by the full wrath of the law, the states government will continue to abdicate from its fundamental obligations. Also, the fact that many states are yet to comply with the payment of 2011 minimum wage of eighteen thousand naira (18,000); it will be very difficult for greater number of states and private establishments to start paying, the new proposed minimum wage of fifty-six thousand naira (#56,000) when signed into law.

Conclusion and Recommendations

For the fact that labor remains the vital machine and essential tool for production and development of the society, it needs to be motivated and this could only be achieved through periodic review of the wages of the workers. Also contained in the study is the thrust of the paper that investigated and appreciated states' viability to the payment of the proposed minimum wage. The paper reviewed available extant literature based on the themes. The study identified that the inability of states' government to pay off the 2011 minimum wage will amount to failure of the proposed minimum wage of fifty-six thousand naira (#56,000) when approved and signed in to law. However, arising from the results of the findings; the paper recommends the following:

1. The state government needs to cultivate and exhibit good tracks of financial discipline. This would help to plunge the loopholes through which monies were siphoned by various ministries, department, and agencies.
2. It is high time states started transferring the huge security votes to the payment of salaries of the workers.
3. The National Assembly and States' Houses of Assembly should always be quick to the passage of the fiscal year's budget.
4. The aggressive measure should be meted out to any defaulting states and other private establishments.

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