NATURE OF COLLECTIVE AGREEMENTS IN NIGERIA: A PANORAMIC ANALYSIS OF INHERENT IMPLEMENTATION CHALLENGES

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ABSTRACT: This paper x-rayed the fate of employees in Nigeria against the backdrop of incessant renegade and socioeconomic setbacks associated with the dearth of implementation of duly concluded and perfected collective agreements in Nigeria. The paper examined the decision in Osoh and Ors Vs. Unity Bank Plc. which distilled common law principle on collective agreement vis-à-vis the extant provisions of the said Trade Disputes Act 1990 and finds that in the said Osoh’s case, the trial, lower and Supreme Courts failed to address the extant requirements for enforcement at law of a collective agreement but rather relied heavily on common law principle which regards collective agreement as a gentleman agreement. The paper also finds that both under statutory and common laws, the employees in Nigeria are usually treated unfairly due to dearth of political will, absence of governance structure and timely budgetary provisions with which to implement collective agreements timeously or at all. Therefore, the paper recommends, among other things, that inherent implementation challenges of collective agreements could be corrected if the government, employers, employees’ unions and the courts subject themselves to the rule of law and due process driven by the interests of both the employer and employees.

KEYWORDS: Trade Disputes Act, Employers, Employees, Collective Agreements, Implementation.

INTRODUCTION

A collective agreement depicts a natural instinct of defence inherent in human, whereby people either demand satisfaction or promotion of the interest of one another. This important instinct has driven industrial relations between employers and employees’ organisation in trade disputes mediation, negotiations and awards in Nigeria, in particular, and other countries of the world. Procedurally, collective agreement is suffical and precedes collective bargaining, which has been defined as “a voluntary negotiation between employers or employers’ organisations and workers’ organisations with a view to the regulation of the terms and conditions of employment – which ends in a collective agreement” (I.L.O. Convention 98, 1949). However, parties to a collective agreement are usually guided by their respective natural and inherent defensive interests, which are at all times conflicting (Ibietan, 2013). The employer primarily pushes for efficient, productive and increased profits-oriented workforce while the employees and their representatives usually demand from the employers better welfare packages, motivation and a conducive working environment (Ibietan, 2013).

Collective agreement has varying meanings depending on the country concerned. The term collective agreement or collective labour agreement has common feature both in statutory and common laws’ definitions. Under common law, however, collective agreement is regarded as a gentleman agreement. In Nigeria, the phenomenon is subjected to the act of a third party before it could become enforceable at law as between the employer and employees or upon incorporation into the letter of the existing of employment. This practice in Nigeria has a lot of negative impacts on employees and also negates their constitutional membership of registered trade unions. This paper, therefore, argues that the dual application of statutory and common laws on collective agreements does not make for healthy employer-employee relations and it also places the hapless employees at the mercy of unwilling employers/3rd party – the Minister and/or Commissioner of Labour to make order upon the deposit of three copies of such collective agreement before a collective agreement could become enforceable and implemented between the employer and employees concerned.

**Collective Agreement Under Common Law**

For decades, industrial or trade disputes have become an integral part of organizational growth, development and/or challenges. The concept of collective agreement arrived at from collective bargaining started at different times in different countries of the world. Its practice was and is not universal both in form and substance. In some jurisdictions, the phenomenon is regulated by common law while in some others; it is governed by statutory law. Also, in others, it is both the practice of statutory and common laws that regulate collective agreement. However, this practice is, unarguably, not seamless. Of note, statutory-law-regulated collective agreement came majorly to ameliorate identified shortcomings in the common law regime on collective agreement with regards to hitherto deplorable physical conditions of work, terms and conditions of employment of workers.

Common law on the other hand is judge-made law derived from both customs and interpretation of statutes. Essentially, the then prevailing attitude and industrial practices in the work environment of the older days influenced the judge-made laws which led to negative perception about the workers in favour of the employers’ interest under the pains of “hire and fire” of the employees at will. Subsequently, this general attitude and perception about employees at work environment crystallised into the common law principle that collective agreements were and are not enforceable at law between the parties thereto. In Nigeria, common law principle has been adopted by the courts with additional requirement that before collective agreements could be enforceable at law such agreement must not only be in writing but it must also be incorporated into the terms of the existing employment of each of the employee concerned. Paradoxically, the extant Trade Disputes Acts of 1990 contained in the Laws of the Federation of Nigeria (LFN), which has been re-classified as LFN 2004 on collective agreements and implementation procedures have directly not been followed or obeyed by the Supreme Court as evidenced in the case of *Osoh & Ors V. Unity Bank Plc. (Supra)*.

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2 Trade Dispute Act Cap. 432 L.F.N. 1990. SS. 2 & 39(1) and (3) and Trade Disputes Act Cap T8 L.F.N. 2004, SS. 3 and 40(1) and (3) respectively. See also Osoh & Ors V. Unity Bank Plc. (2013), Vol. 216 LRCN – SC 182/2001.


6 Trade Disputes Acts T8 Cap 432 LFN 1990 & 2004, SS 2 and 3 and 39(1) and (3) and 40(1) & (3).
Jurisprudentially, this practice is deemed a revolution and negation of the positive nature of Nigeria’s legal system. This is especially so when a statute called in aid or issue is not in conflict with any provision of the Constitution or any other existing law. Nevertheless, the courts are enjoined to follow statutory law validly passed and to whittle down any conflicting provisions with the Constitution and other existing laws in specific cases during interpretation and exercise of judicial review powers, in order to arrive at a just decision. Equally, the legislature in appropriate cases may codify or modify decisions of the court to meet changing social, economic and political exigencies. For instance, in Nigeria, the legislature at the National Assembly has in recent past intervened and enacted laws to adopt and/or vary certain courts’ decisions like the “Resource Control Case”\(^7\) and the constitutionalism of a Vice President or Deputy Governor, as the case may be, to complete the remaining tenure of office of a deceased President or Governor while in office and the qualification of the said persons to run for another two terms of four years each on the merit.\(^8\) Therefore, if this proposition is eternally correct, legally speaking, then the cardinal rule of engagement in adjudication, interpretation and supervision by the courts and the corresponding enactment, repeal, re-enactment or amendment of laws by the legislature guided by the principle of separation of powers, should apply. In this wise, the courts in Nigeria should therefore be duty bound to apply the provisions of every validly enacted laws and/or to \textit{suo motu} raise issues of law relevant to any case at hand and invite counsel to the parties before the court concerned to address the court on such issue(s) notwithstanding that such issue(s) was/were not pleaded.\(^9\) The essence of this seemingly act of “descending into the arena” by the judge is to enable substantial justice to be done to the parties and to interpret the extant law of the land under the general powers of the court.

However, the trial, lower and Supreme Courts in \textit{Osoh & Ors. V. Unity Bank Plc. (Supra)} failed to adhere to the aforesaid proposition and principle, when neither of the three level of courts called on the parties in that case to address the court on the requirements contained in the Trade Disputes Acts 1990 and 2004. SS 2 and 39(1) and (3) and 3 and 40(1) and (3), which provisions are in tandem and which require parties to any collective agreement to deposit three copies of such agreement with the Minister of Labour and Employment and/or Commissioner in charge of welfare of Labour at the State level, for an order before such collective agreement could become enforceable at law as between the employer and employees concerned. The decision in the said case certainly worked hardship both on the employer and employees as well as their representative unions concerned. For instance, the matter lasted needlessly for about eighteen years between the trial, lower and Supreme Courts. Unlike the Trade Disputes Act of Botswana – \textit{Vol. X Cap 48: 02, 2004 S. 38(1)} that requires both the employer organisation(s) and the employees’ organisation(s) to each register or lodge a certified copy of every collective agreement with the Commissioner charged with labour matters, the Nigerian version does not specify who should deposit the said three copies of a collective agreement.\(^10\) It is submitted that both parties are supposed to do so. The reason, however, is to forestall doubt and suspicion as to the genuineness of the copies deposited by one party. Curiously, again, the three courts rather relied heavily on sections 19, 20 and 47 of the Act (1990), doctrine of privity of contract as well as common law principle – which sees collective agreements as between the parties only and as not binding and enforceable at law generally. This is seemingly an act of inchoate


\(^8\) Mr. Cyriacus Njoku V. Dr. Goodlock Jonathan & Ors. (2015) LPER 24496 (CA).


\(^10\) \textit{Supra} Note 4.
research on applicable law in the said case by these courts which obviously diminishes the right of the workers to belong to and be represented by a trade union as it affects trade disputes and collective bargainings in Nigeria.11

Collective Agreements Under Statutory Law in Nigeria

In Nigeria, industrial relations matter is placed on the Exclusive Legislative List (ELL). This means that only the National Assembly (NASS) has exclusive powers to legislate on trade dispute or industrial relations out of the sixty eight items contained on the ELL.12 The State governments therefore are expected to domesticate or adopt such Act for the purposes of regulation and settlement of trade disputes or in handling collective agreements. The Act authorises the Ministry in charge of Labour Matters to delegate his power under the Act with regards to collective agreement obligations to the appropriate State Commissioner charged welfare of labour.13 The Acts 1990 and 2004 both define collective agreements and also stipulate the obligation to deposit collective agreements with the Minister of Labour14 as follows – Collective agreement is:

i. an agreement in writing for settlement of trade disputes;

ii. relating to the terms of employment and physical conditions of work; and

iii. concluded between an employer or a group of employers on the one hand and one or more trade unions representing workers on the other hand.

Also, the obligation to deposit collective agreements by the parties to the said agreement with the Minister is that at least three copies of the agreement must be deposited by the parties thereto with the Minister within a specified period under these Acts, which provisions are in parimateria. The Minister is thereafter expected to make an order upon receipt of the copies of the agreement authorising that any part or all of such agreement shall be binding on the employer and employees concerned.15

The provisions regarding bindingness of collective agreements in the two Acts are unambiguous and to all intents and purposes, the common law position is completely supplanted and statutorily ruled out of order in Nigeria. Therefore, the Acts intend that once the Minister or Commissioner, as the case may be, makes an order on the status of an agreement, then the agreement becomes enforceable at law as between the parties thereto. Paradoxically, while the issue of enforceability has statutory backing, the issue of implementation of such collective agreements has always become revolving challenge in Nigeria. This therefore has raised administrative question over the bindingness of the Minister’s order in Nigeria vis-à-vis the doctrine of pacta sunt servanda – that is, all agreements must be kept. It is trite that this principle only admits as exception vitiating factors, which factors do not include dearth of political will to implement collective agreements duly executed and deposited with the appropriate authority.

12 Ibid, 2nd Schedule, pt. II, item 34.
13 Supra Note 4, SS. 39(1) & (3) and 40(1) and (3).
14 Ibid, SS. 47(1) and 48(1) and 2 and 39(1) & (3) and 40(1) & (3) respectively.
15 Ibid, SS. 2(1 – 3) and 3(1 – 3) 1990 and 2004 respectively.
Comparatively, both the Botswana Trade Disputes Act\textsuperscript{16} and the United Kingdom’s Trade Union and Labour Relations Act\textsuperscript{17} require that collective agreement should be in writing before it could become binding on the parties. The British Act, however, does not require registration of copies of collective agreement before such agreement becomes binding on the parties thereto. The Act rather requires that the parties should indicate or state that the agreement shall be binding on them. The Botswana Act, however, demands registration of an agreement with the appropriate Commissioner by each party to the agreement within twenty eight days after the execution of such agreement. The Commissioner is equally expected to notify each of the parties concerned of such registration. The Commissioner may, however, withhold registration of any agreement lodged with him if such agreement conflicts with any existing law.

Indeed, the British Act is more explicit as it recognises common law position and also recognises freedom of contract or intention to enter into legal relations once the parties state that the agreement shall be binding on them. In contrast, both the Nigerian and Botswana versions subject an agreement to the scrutiny and discretional power of a 3rd party who is an appointee of the state with every likelihood of biases and red-tapism. The Nigerian version in particular would have been straightforward like that of Botswana but for the disturbing situation where the courts in Nigeria still allow common law principle which has been abandoned in Britain, which colonised Nigeria for its ghost to rare its ugly head in the courts and their decisions against the extant law on the issue at hand.

**Challenges to Collective Agreements in Nigeria**

The domestic or national legal mechanism for trade disputes settlement as they affect employer-employee relationship as opposed to trade disputes between countries which is regulated by the World Trade Organisation Disputes Settlement System – (with universal application between members though with differential application to developing countries) is not universal (Shaffer, 2005). For employer-employee relationship, it is the International Labour Organisation (ILO) Convention on trade dispute settlement mechanism that applies. This Convention encourages State members to make measures and to enact laws to promote efficient and just collective bargaining and agreement between employer and employees’ trade unions or their representatives.\textsuperscript{18} In keeping with the spirit and letters of the ILO convention, both developed and developing countries have taken several measures – economic, social and political and have also enacted legislations to elevate the hitherto slavery status and insignificant role of workers in modern times. The new approach has enhanced the capacity of workers with which to increase their productivity and profitability in various organisations. However, due to corruption and bad governance in most of the organisations across the globe with Nigeria as a case study the employees have not been able to realized the fruit of collective agreement.

Nevertheless, in Nigeria, the applicable law that regulates collective bargaining and agreements is the Trade Disputes Act (\textit{Supra}). This piece of legislation has many laudable provisions to deal with the mirage of trade disputes arising from failed collective agreements. However, there is an emerging challenge bedevilling every perfected collective agreement in Nigeria with attendant incessant strikes. Indeed, the total man hours lost as a result of such incessant strike actions at national, state and local government levels in Nigeria have contributed to low

\begin{thebibliography}{9}
\bibitem{16} Vol. X Cap. 48: 02 SS 37 and 38.
\bibitem{17} (Consolidation) Act 1992, S. 179.
\bibitem{18} \textit{Supra} Note 1.
\end{thebibliography}
productivity and profitability in public and private sectors with negative multiplier effects on the ability of the Federal Government of Nigeria to exit the present economic recession confronting the country.

**Implementation Challenges**

Specifically, a number of factors have been identified as challenges militating against the seamless implementation and indeed, the subsequent reaping of the fruits of collective agreements by the employees in particular in Nigeria. These are dearth of political will, absence of governance structure at the state government level and dearth of budgetary provision to implement terms of collective agreement as they fall due:

(a) **Dearth of Political Will**

The drafters of Trade Disputes Legislation the world over would normally intend that every duly executed collective agreement thereto and without more should be or ought to be implemented. The implementation is usually carried out by the employer. The employer may be the national, state or local governments and/or their ministries, departments or agencies (MDAs). The essence of implementation of an agreement of this nature is to afford the employees the benefit of reaping the fruits of effective representation of their trade unions pursuant to the collective agreement. Expectedly, if these benefits are jeopardized by non-implementation, it creates automatically crisis of confidence between the union leaders and members because the reasoning is that union leaders might have compromised during the negotiation with the employer(s), hence the subsequent non-implementation. Beyond this, it engenders job frustration and this cacophony of frustration usually retards individual worker’s ability to realise and attain his or her goals and to the organisations, it signals arrested productivity and profitability. Ultimately, the society becomes insecure due to upsurge in social vices and poverty.

Available records and statistics show very disturbing abysmal trends and appalling attitude on the part of employers towards effective, prompt and smooth implementation of perfected collective agreements in Nigeria. This spectacle is both in public and private sectors in Nigeria (www.vanguardngr.com/.../fg-asuu- and Press Release, 2014 and News & Tips, 2017). Basically, in all the known cases, it has been observed that dearth of political will studded with insincerity and absence of profound transparent commitment by authorities charged with the responsibility of implementing collective agreements has become an endemic challenge in work environment. Political will is both the denominator and numerator for policy, decisions or agreements implementation the world over and Nigeria is not an exception, as it is the ability to implement policy or decision based on rule of law. Therefore, political will simply put is a deliberate self-decision of either an individual, group of individuals or the sovereign towards the implementation of an agreement by proactively analysing the cost and benefit of such agreement for the benefit of the present and future employees and employers in an organisation as well as the society in general. Curiously, though political will does not have a universal meaning, it does situate itself in the act of persons with authority to do or say something that will provide certain desired efficacious results.
The absence of a political will towards the implementation of collective agreements in Nigeria occurs *ab initio* from the point of entering into an agreement and where the process is viewed as a mere ritual and too its execution through the various stages of trade disputes settlement is a cacophony just to douse frayed nerves of leaders of a trade union in the trade disputes. Several strike actions have continued to be embarked upon by the organised labour against the authorities in public and private sectors due to failure to honour the tenets of collective agreements by the authorities or their agencies due to initial insincerity on the part of the negotiating parties with the employers as the worst culprits. The areas that such insincerity of intention is worse hit include the health, education (in 2009, 2010 and 2013 – Academic Staff Union of Universities embarked on strikes for four months, five months and six months respectively) and energy subsectors of the Nigerian fragile and recessed economy (Oleribe *et al*. 2016, Amadi, 2015 and Blog.euromonitor.com/…/nigerian-oil, 2017). Sadly, the various authorities in Nigeria have with disguised intention entered into trade disputes settlement pursuant to the Act only to resile from implementation. In order to whittle down or frustrate the process of implementing such agreement the authorities usually rush to the National Industrial Court (NIC) seeking restraining order against the employees’ union suit and expectedly, the NIC will grant such order purportedly to save the *res* and have the union maintain the status quo. The same attitude is employed by captains of industries in the country.

Ordinarily, where common law principle on collective agreement reigns as opposed to statutory law, it would not have become much of a problem for the authorities or their agencies to lawfully resile from a duly executed collective agreement but for the fact that in Nigeria, essentially it is the provisions of Trade Disputes Act that should prevail and nothing more. Therefore, for the sake of industrial harmony, increased productivity, profitability, ease of doing business and overall socioeconomic well-being of the workers, the State and its agencies at the three tiers of government should eschew the deployment of obscure intention and cancerous motive in collective bargaining/agreements and at implementation of the same.

(b) **Absence of Governance Structure**

Undoubtedly, collective agreements can be meaningful, seamless, realizable and implementable if from the outset there exists a clearly delineated governance structure manned by relevant professionals who are not only demonstrating their avowal to the vested interests of the employers (both of public and private sectors) but also the interests of employees – whose livelihood while in at active service and at retirement depends on the composite nature of whatever collective agreements that their trade unions could have possibly reached with their employers. The absence or near absence of such governance structure can only work hardship on the employers, employees and industrial harmony in society or organisation.

In Nigeria industrial relations or trade disputes matter is placed on the exclusive legislative list. Any legislation enacted on any item pursuant to the said list is expected to be domesticated and/or complied with by the thirty six States in Nigeria. In this regard, the Trade Disputes Act (*Supra*) which is one of such enactments empowers the Federal Minister of Labour and Employment to also delegate to his counterpart, that is, the Commissioner saddled with welfare of labour at the State level the obligation to receive duly executed collective agreement between the employer and employees’
unions and make appropriate order for the enforcement of such agreement as between the parties thereto.\(^\text{19}\)

Curiously, a search on the list of currently established ministries in the states in Nigeria reveals that all but one State, that is, Akwa Ibom State Government has created what it calls Bureau of Labour and Co-operative Matters, to take charge of both labour and co-operative matters in the said State. The rest of the States do not have any delineated Ministry of Labour. However, it appears welfare of labour is subsumed in the functions of any of their existing ministries or agencies. Even the Akwa Ibom State does not have a substantive Commissioner for Labour but a Special Adviser in charge of the Bureau of Labour and Co-operative Matters. Therefore, the likely results of such aberration include the fact that priority is not given to labour related matters at the States, the provision of the extant Act is fragrantly disobeyed and such acts legally render every collective agreement duly executed with the parties and deposited with any agency headed by a person with the appellation of a special adviser other than “the appropriate Commissioner” charged with welfare of labour\(^\text{20}\) is an insincerity, insensitivity and unlawful on the part of the Akwa Ibom State Government in particular.

For the rest of the State Governments without clearly delineated Ministry of Labour, which function is submerged in any other established Ministry, the inherent shortcoming thereto revolts round the fact that the Commissioner in charge of the Ministry whose functions include welfare of labour may not be versed in labour matters. Also, as a political appointee of the State Governor, such official may constantly and sheepishly seek to discharge his function, first, according to the whims and caprices of the State Governor and second, he is also expected to depend on briefs of his Permanent Secretary. This cadre of public officer is always known to have a knack for dogmatism and bureaucratic red-tapism with attendant procrastination in decision making and implementation of the same.

(c) Dearth of Timely Budgetary Provision

Most often than not, the government at all levels in Nigeria are cowed and pressurised into collective agreements by labour unions due to incessant strikes. Also, quite regrettably, the governments usually go into such agreements without adequate data about the finances of the government with which to shoulder the likely accruing financial obligations from the terms of agreements. The same situation befalls other employers in the private sector though with less severity. Equally, the government and indeed, other employers of labour perceive collective agreements as a timely stop gap arising from trade disputes settlement knowing full well that such agreements might not be actually or eventually implemented due to deliberate act of failure to capture the financial implications of such agreement in the annual budget of the affected organisation, which is often done deliberately.

The paramount objective of every collective bargaining is to lead to collective agreement. That is why in every of such agreements officials of relevant Ministries, Departments and Agencies (MDAs) – for public sector trade disputes settlement and

\(^{19}\) Supra Note 4. SS. 2(1 – 3), 39(1 – 3) and 3(1 – 3) and 40(1 – 3) respectively.

\(^{20}\) Ibid, S. 40(7). States that the appropriate Commissioner “means the Commissioner in the Government of that State charged with responsibility for matters relating to the welfare of labour.
with a little variance in the case of the composition of members for negotiation in the private sector constitute members in trade disputes mechanism. Ideally, the composition and quality of member both in public and private sectors collective bargaining is meant or designed to supply a near accurate data and information towards reaching a just collective agreement. This due diligence or good governance mechanism notwithstanding, employers still find it difficult or are reluctant to dutifully ensure an effective implementation of an agreement duly perfected according to the extant law and procedures. Understandably, the public sector employers usually adduce reasons for their inability to implement collective agreements which include declining revenue from federation account allocation and/or from internally generated revenue (IGR). In the private sector, the corresponding reasons for failure or delay towards implementation of such an agreement range from erratic public power supply which affects their operations negatively, cost of doing business due to high interest rate payable on commercial bank loans and low patronage by Nigerians of locally produced goods and services, etc., in preference for foreign goods and services.

Judging by the foregoing analysis, it can be safely observed that under this subheading in particular, that non-existent and/or dearth of accurate data in almost all activities in Nigeria constitute monumental impediment towards a smooth implementation of collective agreements in the country. By extrapolation, the situation impacts negatively on planning, policy making and the realisation of plans and policies as they particularly affect the welfare of labour. Indeed, since a worker who is dissatisfied has nuisance value not only to his employer but also to his co-workers and family members, it behoves of employers to always take collective bargaining and agreement serious and be truthful during and after such agreement in order to enthrone industrial harmony and job satisfaction in work places in Nigeria.

CONCLUSION

Nigeria is a tremendous and endowed country but her personality in Africa and the world is notably outstanding in the scale of the good, the bad and the ugly. Nigerians are said to be good people but the collective wealth of the nation through deliberate actions of the leaders whom Prof. Pat Utomi described as less than 60 people in the three “club of capture” have constantly skewed the laws, regulations, the courts and public enterprises not only in their favour but also in favour of their cohorts and grand children while the organised labour unions have been polarised and factionalised by such leaders in order to weaken their ranks and enforcement or implementation of collective agreements in the country. These leaders pull the strings and the political will of the nation and their stronghold on the judiciary is only meant to have the courts to make pronouncements that can only favour the employers who are managers of their property. Thus, the survival of the employees and the trade unions lies with the workers themselves and the International Labour Organisation (ILO) to rise to the occasion by speaking up and engaging the government of Nigeria at international, regional and national fora in order to enthrone the intendment of the ILO Convention and Trade Disputes Act in Nigeria.
RECOMMENDATIONS

- The Federal Government should encourage her MDAs to cultivate the culture of having and maintaining accurate data before entering into collective agreement so as to make for smooth implementation of such agreement.

- The Federal Government should encourage States to create a separate Ministry of Labour and Employment as it is the case at the Federal level to prioritise welfare of labour.

- The labour unions should be encouraged to understand and appreciate the provisions of the Trade Dispute Act.

- The courts should always ensure compliance with the extant requirements of the Act on collective bargaining and agreements.

- The implementation of every perfected collective agreement should be encouraged by all the stakeholders in order to promote industrial harmony and thereby discourage incessant strike actions at all levels of government in Nigeria.

REFERENCES


