

IMPLEMENTATION OF 2011 MINIMUM WAGE ACT AND WORKERS' PRODUCTIVITY IN FEDERAL MINISTRY OF LABOUR ABIA STATE, 2011-2016

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Abstract

The essence of minimum wage fixation is to prevent exploitation of workers and enhance their productivity. The 2011 Minimum Wage Act stipulates that both the federal and state governments should pay the minimum wage of N18000 to their workers as a way of motivating and enhancing their productivity. Against this backdrop, this study explored the link between the implementation of Minimum Wage (MW) Act and workers' productivity in Federal Ministry of Labour, Abia State between 2011 and 2016. Specifically, the study seeks to examine whether the implementation of the 2011 National Minimum Wage Act accounted for the increase in workers' productivity in the Federal Ministry of Labour, Abia State between 2011 and 2016, in Abia State within the study period. The study is anchored on Abraham Maslow's Motivation theory. We utilized survey method, using instruments of questionnaire and interview; and documentary method to generate the relevant data, which were analyzed using tables and simple percentage difference as well as content analysis. The study ascertained that the implementation of the 2011 Minimum Wage Act accounted for the increase in workers' productivity in the Federal Ministry of Labour, Abia State in terms of revenue generation and number of inspection visits. Among others, the study recommends that minimum wage should be reviewed every five years, as contained in the Minimum Wage Act, as a way of motivating workers for effectiveness and increase in productivity.

Keywords: Productivity, revenue generation, National Minimum Wage Act, Federal Ministry of Labour.

Introduction

Wage is at the Centre of employment relationship. It is one of the most complex and problematic issues in industrial relations and human resource management. People work with the objective of receiving pay for services rendered at the end of a given period, usually based on terms stated in the agreement or contract of employment. Compensation and wages remain the singular most important obligation an employer has towards an employee. The cost of fulfilling this obligation in form of wages, salaries, pensions and related costs to the employer is estimated at about 60% of the total cost of running a major business (Cole, 2002).

Historically, wage employment came into prominence in the colonial Nigeria in 1830s (Yesufu, 1982). At the initial stage of wage employment, labour recruitments were done through the chiefs who acted as recruitment agents or third party. They, in most cases used slaves, their troublesome children or children of less favoured wives. Wage employment then was seen as degrading, as working for another man other than a biological relative was only done by slaves (Iwuji, 1980).

Wages have always been the workers' primary concern. In the absence of a well-organized collective bargaining structure, demands for wage increase have often led to conflicts and strikes. In order to compensate for a lack of collective bargaining through which peaceful solutions could be found, governments have had to intervene directly in numerous cases to resolve wage disputes. In many

countries, collective bargaining has developed over time to such an extent that it provides the necessary framework for the management of wage disputes. New Zealand, whose minimum wage system dates back to the late nineteenth century, is generally considered to be the first country to have established a minimum wage mechanism aimed mainly at preventing industrial disputes. In 1957 in Uganda, the colonial authorities published a report recommending an increase in the minimum wage rate that had been frozen for the previous ten years. The justification for this proposal was that the lack of an effective wage setting mechanism was leading to disputes and strikes (Weeks, 1971).

The minimum wage legislation is a very important criterion in the payment of wages because it sets legal minimum for the hourly wages paid to certain groups of workers. The fixing of minimum wage prevents the exploitation of weak, ill-informed or isolated groups of individuals. Minimum wage affords such people a more comprehensive protection than is available through existing voluntary bargaining machinery.

Minimum wage is a universal practice. Countries of the world have national minimum wage which must be paid by employers to their workers. The ILO convention 131 of 1970 requires member countries to institute a national minimum wage below which no employer should pay its employees. There are various minimum wage fixing procedures across the world to mitigate exploitation of labour. For instance, China, New Zealand, United States, Angola, Ghana and Nigeria, among others have their national or regional minimum wage rate set by government or tripartite body. While in countries like South Africa, Botswana, Germany, and many others, their sectorial and/or occupational minimum wage rates are set through collective bargaining (ILO, 2005).

Furthermore, the ILO (2008) affirms that presently, there is legislation or binding collective bargaining regarding minimum wage in more than 90% of countries of the world. ILO maintains that the fixing of minimum wage affords workers a reasonable income to meet their basic needs and raise their standards of living. Also by the introduction of minimum wage, employers are not only hindered from using unreasonably cheap labour; they are encouraged to use human resources more efficiently and therefore, raise productivity. However, the success of minimum wage in its intended goal depends, apart from the criterion used, on the level at which it is fixed. The ILO (2009) observes that ultimately, the impact and usefulness of a minimum wage policy depends on whether minimum wages are paid. This in turn depends on the effectiveness of the enforcement mechanisms. Penalties for violators, adequate compensation for workers whose rights have been violated and suitable resourcing of the enforcement authority are all crucial factors relating to the usefulness of a minimum wage policy. The active involvement of social partners in both the design and operation of minimum wage enforcement regimes is also essential to enhance its impact (Herr & Kazandziska, 2011).

In Nigeria, minimum wage has remained a vexing issue between employers and employees. The Nigerian government sets minimum wage to establish a wage that small, medium scale enterprises and even large organizations can afford to pay workers; below which they must not go and above which those who can afford to pay more can go. Government's involvement in setting minimum wage is based on the recommendations of wage review commissions. Over the years, minimum wage was fixed either through collective bargaining and negotiation or through legislation.

Nigeria, as a nation, has witnessed more years of military regime than civilian rule. Therefore, fiat have featured more than collective bargaining in fixing minimum wage. For instance, the minimum wage was set at N60, N100 and N125 in 1972, 1981 and 1982 respectively through military fiat (Adesina, 2000). By 1985, precisely 1st October, the Ibrahim Babangida administration applied wage deduction of between

2% - 20% from workers' salaries, rents, and dividends. According to him, this was to save for the future generation. In 1990, the minimum wage became N250, and by 1993, it was yet increased to N363. In 1998, the then Head of State General Abdusalam Abubakar came up with ₦5,500 minimum wage. During Obasanjo's administration in 1999, the salary structure was reviewed through the parliamentary act. It was increased to N7500 and N6500 for workers in federal and state levels respectively (Adesina, 2000). Wage Act of 2004 sought to harmonize wages variously paid by the federal and state governments, and by 2009 a tripartite committee of eight members, drawn from labour, government, and employer's organisation and headed by Justice Alfa Belgore was mandated to negotiate for a new minimum wage. The committee came up with a recommendation of N18000 minimum wage for the workers and this was agreed to by all stakeholders, including representatives of the state governments (Asodike & Jaja, 2012). The new Minimum Wage (MW) Bill was signed into law by President Jonathan in March 2011. The National Minimum Wage (Amendment) Act, 2011 in its section 1 of the principal Act stipulates, thus:

As from the commencement of this Act, it shall be the duty of every employer to provide (except as provided for under the principal Act as amended) to pay a wage not less than the national minimum wage of N18000 per month to every worker under his establishment Law of Federation of Nigeria, 2011, p.4).

The signing into law of the National Minimum Wage (NMW) Bill by President Jonathan provides protection and legal capacity for workers whose rights may be denied in terms of remuneration and benefits by their employers. The law further empowers the Labour Inspectors of the Federal Ministry of Labour to monitor and persuade employers of labour to implement the NMW in their various establishments.

Against the background of the stipulations of the NMW Act and the obligations placed on employers of labour to pay minimum wage to workers and as such protect them from exploitation and unfair labour practices in Nigeria, this study examines the link between the implementation of the 2011 Minimum Wage Act and workers' productivity in Federal Ministry of Labour between 2011 and 2016. The impacts of the implementation of the 2011 National Minimum Wage Act on workers' productivity in Federal Ministry of Labour in Abia State between 2011 and 2016, on the other form our specific area of focus.

In this section, we demonstrate how the implementation of the 2011 National Minimum Wage Act between 2011 and 2016 accounted for the increase in workers' productivity in the Federal Ministry of Labour, Abia State. The section specifically shows how the introduction of the National Minimum Wage Act and payment of N18000 minimum wage accounted for the increase in revenue generation, number of hours and days of work in a week as well as the number of inspection visits to work places by the labour inspectorates of the FML to enforce the 2011 NMW Act in Abia State.

Introduction of National Minimum Wage Act

The Nigerian Federal Ministry of Labour and Productivity is the Ministry concerned with relations between workers and employers. It is headed by the Minister of Labour and Productivity, who is appointed by the [President](#), and is assisted by a Permanent Secretary, who is a career civil servant. The Ministry has been in existence (with different names) since 1939. At present, it is known as Federal Ministry of Labour and Employment with six professional departments namely; Inspectorate, Social Security and Factory, Skill Acquisition and Certification, Employment and wages, Trade Union Services and Industrial Relation, and Policy Analysis Research and Statistics (PARS). These departments are

saddled with the central purpose of ensuring cordial relations between workers and employers in the public and private sectors. The Federal Republic of Nigeria Official Gazette Vol.76 no 15 of 3rd march, 1989, assigned the following responsibilities to the Ministry: conditions of Employment, employment services and statistics, factory inspection, labour safety, health, welfare and education among others, (Okoronkwo, 2008). The Ministry has some empowering legislation such as Labour Act Cap. L1 LFN 2004, National Minimum Wage Act, Cap 61 LFN 2004 and many others to enable it effectively carry out these responsibilities.

The Minimum Wage Act of 2011 amends the National Minimum Wage Act, Cap.61 Laws of the Federation of Nigeria, 2004 (as amended), to provide for a revised national minimum wage, on the one hand, and a realistic penalty regime for violation of the provisions of the Act, on the other. The Amendment Committee recommended a national minimum wage of N18, 000 per month for all establishments in the public and private sectors, employing 50 workers and above and excluded seasonal employment such as in agriculture, workers on part-time basis and allied employment (NMW Act, 2011). The Committee also recommended that section 8 of the Principal Act, which prescribes a fine not exceeding N500 or imprisonment for a term not exceeding three months or both, should be amended to a fine not exceeding N100,000 or imprisonment for a term not exceeding six months or both fine and imprisonment. It equally recommended the amendment of section 3 of the Principal act, which prescribes a fine not exceeding N100, in the case of a continuing offence, and a fine not exceeding N10 for each day during which the offence continues, to read instead, a fine not exceeding N 50,000, in the case of continuing offence, and a fine not exceeding N10,000 for each day during which the offence continues. Also that a more frequent review period, not exceeding five years be carried out by a statutory tripartite committee that would be appointed from time to time by the President (NMW Act, 2011). According to Boushey (2014), the best way to fight poverty is to make sure people have jobs with decent wages that put them above the poverty line. Raising the minimum wage and ensuring that its value stays at a reasonable level over time by indexing it to the cost of living will establish a stronger first rung on the ladder to economic security. The minimum wage is the cornerstone of a set of policies, including the Earned Income Tax Credit, the Affordable Care Act, as well as some other policies yet to be implemented nationwide, such as paid sick days and paid family and medical leave that provide the foundation for economic security for workers and their families.

In fixing minimum wage, the following important factors need to be considered: the capacity of the actors to organize effective collective bargaining and the size of the informal economy. According to Saget (2008), when collective bargaining is not well developed, the influence of a statutory minimum wage system would be more pronounced, resulting in a wider scope of application in terms of both sectors and different categories of workers covered. Similarly, intensive use of the minimum wage by a government with a view to realizing various economic policy objectives will lead it, willingly or otherwise, to reduce the role of collective wage bargaining in order to better control its development. On the contrary, a well-established collective bargaining process results in government's intervention being excluded or limited to the protection of the lowest-paid wage earners.

Table 1: Criteria for Minimum Wage Fixing in Africa.

| Country | Level of wages | Social security benefits | Needs of workers and their families | Inflation and/or cost of living | Employment level | Economic situation and/ or development | Productivity | Capacity of enterprises to pay | No criteria set. |
|----------------------|----------------|--------------------------|-------------------------------------|---------------------------------|------------------|--|--------------|--------------------------------|------------------|
| Angola | √ | √ | | | √ | √ | √ | √ | |
| Botswana | √ | √ | √ | √ | √ | √ | √ | | |
| Burkina Faso | | | √ | | | √ | | | |
| Chad | | | | | | | | | √ |
| Gabon | | | | | | | | | √ |
| Ghana | | | | | | | | | √ |
| Guinea-Bissau | √ | √ | √ | √ | √ | √ | √ | | |
| Lesotho | | | | | | | | | √ |
| Madagascar | | | √ | √ | | √ | | | |
| Mauritius | √ | | | √ | | √ | | | |
| Morocco | | | | √ | | | | | |
| Namibia | √ | √ | √ | √ | | √ | | √ | |
| Nigeria | | | | | | | | | √ |
| Saotome and Principe | | | | | | | | | √ |
| Senegal | | | | √ | | √ | | | |
| South Africa | √ | | | √ | √ | √ | | √ | |
| Tunisia | | | | | | | | | √ |

Source: ILO minimum wage fixing data base (2004) cited in Saget (2008).

Table 1 indicates the various criteria that countries consider before fixing minimum wage for example Angola considers level of wages, social security benefits, employment level, economic situation or development, productivity and capacity of enterprise to pay. South Africa considers five factors which are; level of wages, inflation or cost of living, employment level, economic situation and capacity of enterprise to pay. Namibia considers level of wages, social security benefits, needs of workers and their families, inflation or cost of living, economic situation and capacity of enterprise to pay. While countries like Ghana and Nigeria do not have any factor put in consideration before fixing their minimum wages and this situation could lead to wages not being revisited as at when due to cushion inflation, unlike other African countries that consider very crucial factors like inflation and cost of living, productivity, capacity of enterprises to pay, among others before fixing its minimum wages. According to the ILO data base on criteria for minimum wage fixing, the criteria stipulated are often guidelines that assist the process of decision-making, rather than being strict requirements that must be complied with. In Africa, Nigeria falls within the 20 percent of countries whose legislation is flexible and does not set any criteria whatsoever in fixing minimum wage. In Nigeria, wage fixing and implementation decision is the sole responsibility of

the government with consultation either directly with the social partners or with a permanent committee (bipartite or tripartite). In most cases, consultation takes place within a committee. In such a case, a single base wage rate is set for the whole economy or region and a public authority plays a leading role, often making the final decision.

Payment of the N18000 MW in line with the 2011 Minimum Wage Act

One of the means through which government improves the living conditions of its citizen is through the introduction of national minimum wage legislation, and the mechanism for reviewing it. This is to prevent the exploitation of workers by their employers. Fajana (1994) stated that the interest of the Nigerian government in the labour welfare dates back to the colonial era in the 1940s when it set up wage commissions and enacted various labour laws seeking to regulate labour relations and promote the welfare of workers. Table 2 below clearly shows that prior to the 2011 Minimum Wage Act, lot of acts and edicts establishing minimum wage have been in existence. The table also indicates that Nigeria does not have a stipulated number of years before a review in wage is done, notwithstanding that adjustment in minimum wages enhance productivity of the workers.

Table 2: Wage Review Commissions in Nigeria, 1934 - 2010.

| Commissions | Year |
|--------------------------------|-------------|
| The Hunt Commission | 1934 |
| Bridges Committee of Enquiry | 1941 |
| The Tudor Davis Commission | 1945 |
| The Harragin Commission | 1946 |
| The Miller Commission | 1947 |
| Phillipson - Adebo Commission | 1948 |
| The Gorsuch Commission | 1954 |
| Mbanefo Commission | 1959 |
| The Morgan Commission | 1963 |
| Eldwood Commission | 1966 |
| The Adebo Commission | 1970/1971 |
| Udoji Commission | 1972 |
| The Cookey Commission | 1981 |
| Dotun Phillips Commission | 1985 |
| The Allison Ayida Review Panel | 1994 |
| Philip Asiodu Committee | 1998/1999 |
| Ernest Shonekan Committee | 2000 |
| Justice Alfa Belgore Committee | 2009/2010 |

Source: National Salaries, Incomes and Wages Commission (2010)

Nigeria as a nation has witnessed more years of military regimes than civilian rule. Fiats have therefore featured more than collective bargaining in fixing minimum wage. For instance, the minimum wage was set at N60, N100 and N125 in 1972, 1981 and 1982 respectively through military fiat. By 1985, precisely 1st October, the Ibrahim Babangida administration applied wage deduction of between 2% - 20% from workers' salaries, rents, and dividends. According to him, this was to save for the future generation. In 1990, the minimum wage became N250, and by 1993, it was yet increased to N363. In 1998, the then Head of State General Abdusalam Abubakar came up with ₦5,500 minimum wage. During Obasanjo's administration in 1999, the salary structure was reviewed through the parliamentary act. It was increased to N7500 and N6500 for workers in federal and state levels respectively.

Like the ones preceding it, the Minimum Wage Act of 2011 was the outcome of rigorous work and consultations by the tripartite Presidential Committee of eight (8) members drawn from labour, government, and employer's organisation and headed by retired Chief Justice of Nigeria, Justice Alfa Belgore. The Committee was inaugurated by late President Umaru Musa Yaradua in 2009. This Committee negotiated for a new minimum wage and came up with a recommendation of N 18000 minimum wage for the workers and this was accepted by all stakeholders, including representatives of the state governments. The new Minimum Wage (MW) Bill was signed into law by President Jonathan in March 2011. The Act stipulates Eighteen Thousand Naira (N18, 000) as the minimum wage for the Nigerian worker. The National Minimum Wage (Amendment) Act, 2011 in section 2 (1) states that:

As from the commencement of this Act, it shall be the duty of every employer to provide (except as provided for under the principal Act as amended) to pay a wage not less than the national minimum wage of N18000 per month to every worker under his establishment (LFN, 2011, p.4).

Thus, the Act abolished the dual minimum wage of Abubakar's Regime (1998-1999) and re-introduced the same minimum wage for all the tiers of government. The signing into law of the National Minimum Wage (NMW) Bill by President Jonathan provides protection and legal capacity for workers whose rights may be denied in terms of remuneration and benefits by their employers. The law further empowers the Labour Inspectors to monitor and persuade employers of labour to implement the NMW in their various establishments to enhance the productivity of workers.

Productivity is basically the measure of the effectiveness and efficiency of the service sector. Productivity is the state of mind, an attitude that seeks the continuous improvement of what exists. It is a conviction that one can do better today than yesterday, and that tomorrow will be better than today. Productivity measurement is basically a process of identifying the appropriate measures or metrics to be used, and the computation of their results to determine the effectiveness and efficiency of the resources used. As explained earlier, productivity = output / input. Thus, measurement of both the output and input, using the productivity levers, are keys to enhancing productivity. In view of this, we proceed to examine the impact of the implementation of the 2011 MW Act on the productivity of the Labour Inspectorate of the Federal Ministry Labour (FML), Abia State.

Worker's Productivity in the Federal Ministry Labour, Abia State

It is generally accepted that enforcement and compliance to the minimum wage laws in most developing countries is low. The small but growing literature shows that formal enforcement efforts are weak and a substantial portion of workers still receive sub-minimum wages (Ronconi, 2008; ILO, 2008). Moreover,

the main reason for this is not a lack of the required legislative frameworks. Indeed ILO (2008) emphasized the 'regulatory revival' that has taken place across the developing world and many countries now have an extensive web of labour regulations which include minimum wage laws. Labour inspection is associated with the awareness about potential positive impacts on improvement of working conditions and creating conditions for the upgrading of productivity and competitiveness of firms if regularly carried out.

Meanwhile, the emergence of state labour inspection services arose from a social push towards state regulation of economic forces. Closing years of the nineteenth century had provided evidence of the appalling and intolerable conditions of workers in the industrializing countries. It also provided an impetus for attempts to put an end to the exploitation of women and children, long working hours, and to raise wages above starvation level. Again, the need to protect exploited sections of the population and the resultant passage of legislation that provided regulatory powers for state intervention was clearly a great turning point in the history of social policy (Marvel, 1977). There has been established social protective legislation and the state's administrative efforts to enforce it. For example in Nigeria we have the Labour Act.

The Laws of the Federation of Nigeria 2004 provides for the protection of wages, contracts of employment, and terms and conditions of employment. Section 78a of it authorizes a labour officer:

to enter, inspect and examine by day or night any labour encampment, farm, factory or other land or work place whatsoever (and every part thereof) if he has reasonable cause to believe that any worker is employed therein or thereon.

The application of the provisions on the minimum wage consists of three broad stages: informing workers and employers of the minimum wage rates; establishing sanctions to prevent and punish non-compliance with the legislation; and setting up supervision mechanisms of wages effectively paid by enterprises. Information of workers and employers is in general ensured by the obligation of enterprises to post notices, the publication of details in different newspapers and in the official gazette, and the inclusion of the minimum wage in pay slips, etc. Sanctions can be pecuniary or include imprisonment (ILO, 2008).

In Nigeria, the concept of minimum wage means minimum monthly salaries payable to workers as provided by the subsisting minimum wage legislation. Minimum wages may also be as determined in collective agreements, provided always that if the organisation to which it applies has not been excluded from the scope of the National Minimum Wages Act, such minimum wage shall not be lower than the national minimum wage in the extant minimum wage law.

The National minimum wage rate in Nigeria is applied to every worker (any member of the civil service of the Federation or of a State or Local Government or any individual who has entered into or works under a contract for manual labour, clerical work or otherwise) with the exception of those in the excluded categories as expressly stated in the extant Minimum Wage law. Minimum wage increase in Nigeria is often achieved through industrial action, particularly strike by the various trade unions. In Nigeria, the Nigeria Labour Congress (NLC) and Trade Union Congress (TUC) are at the vanguard for wage increase. At present, the unions are demanding a minimum wage increase to N56000 on the argument that, with the current high inflation rate and general increase in the cost of food, the N18000 minimum wage can no longer take care of the workers.

Meanwhile, the extant Minimum Wage Act provides that an employer, who fails to pay a worker at least the national minimum wage rate, shall be liable to a fine not exceeding N20, 000.00. If the offence

continues, the employer shall be liable to a fine not exceeding N1000 for each day the offence continues. In addition to the fine, the court may order that an employer pays the outstanding amount that ought to have been paid to the Worker. The 2011 Minimum Wage Amendment Act prescribes greater penalties including imprisonment for defaulters. What the foregoing implies is that non-conformity to the MWA attracts penalties from the Federal Ministry of Labour, which is statutorily mandated to oversee the implementation of the 2011 MWA. The labour inspectors of the Federal Ministry of Labour, therefore, visits work places to inspect, monitor and enforce compliance to the 2011 MWA.

In addition to visiting work places to enforce compliance to the 2011 MWA, the labour inspectors of the Federal Ministry of Labour also generate revenue through registration factory, sale of forms and issuance of license to the companies that meet the relevant requirements. Table 3 succinctly presents the trend in revenue generation by the Federal Ministry of Labour, Abia state, between 2009 and 2016.

Table 3: Trend in Revenue Generation in the Federal Ministry of Labour, Abia State, 2009-2016

| | | Factory Registration (at N155000) | Forms (at N5000) | License Fee/Renewal (at N100,000) | Total |
|----------|-------------|--|-------------------------|---|--------------|
| 1 | 2009 | 155,000 | 10, 000 | Nil | 165,000 |
| 2 | 2010 | 310,000 | Nil | Nil | 310,000 |
| 3 | 2011 | 310,000 | Nil | Nil | 310,000 |
| 4 | 2012 | 465,000 | 10, 000 | Nil | 475,000 |
| 5 | 2013 | 620,000 | 10, 000 | 100,000 | 730,000 |
| 6 | 2014 | 775,000 | 20, 000 | 400,000 | 1,195,000 |
| 7 | 2015 | 1,085,000 | 25, 000 | 600,000 (License fee increased to N200000) | 1,710,000 |
| 8 | 2016 | 1,240,000 | 25, 000 | 1000000 | 2,265,000 |

Source: Data provided by the State Controller of FML Umuahia during face- to-face interview 24th -25th may 2017.

It is quite evident from table 3 that revenue generation by the Federal Ministry of Labour, Abia State increase from 137,567.37 and 189,127.10 in 2009 and 2010 respectively before the enactment of the 2011 NMW Act to 488,381.38; 831,719.8; 1,530,121.65; 2,046,223.18; and 2,635,131.12 in 2012, 2013, 2014 2015 and 2016 respectively after the enactment of the 2011 NMW Act. It is seen that the implementation of the 2011 NMW Act has positively impacted on the revenue generation by the Federal Ministry Labour, Abia State. In the light of the documentary evidence presented above, we sought to find out the views of the respondents on the impact of the implementation of the 2011NMW Act on revenue generation by the Federal Ministry Labour, Abia State within the study period. Table 4 shows the responses.

Table 4: Responses of the respondents on whether the implementation of the 2011 NMW Act has increased the revenue generation by the Federal Ministry Labour, Abia State

| Answer options | Number of respondents | Percentage of respondents |
|-----------------------|------------------------------|----------------------------------|
| Yes | 8 | 89% |
| No | - | - |
| Do not know | 1 | 11% |
| Total | 9 | 100% |

Source: Field Work, 2017

The responses of the respondent indicate that revenue generation by the Federal Ministry Labour, Abia State increased after the enactment and implementation of the 2011 NMW Act. This corresponds with the documentary evidence. Therefore, the implementation of the 2011 NMW Act has positively impacted on the revenue generation by the Federal Ministry Labour, Abia State within the study period.

In addition to revenue generation, the Inspectorate Department of the Federal Ministry Labour, Abia State also goes on inspection visit during which the labour inspectors look out for number of workers, nature of business, hours of work, remuneration, and pension fund administrators among others and generally check on the safety and welfare of the workers. The Labour Act 2004 demands labour inspectors to inspect any work place that has up to five employees at least twice a year. Table 5 shows the number of inspection visits in Abia state by labour/factory inspectors. The Labour inspectors inspect on issues bordering on labour and welfare of the workers, while factory inspectors inspect the state of the machineries and boilers as well as register and renew registration of the factories in accordance with the factory's act. From the table above, it can be seen that the number of inspection visits to work places by labour/factory inspectors increased from 65 in 2010 to 88 2011, 97 in 2012, 104 in 2013, 111 in 2014, 137 in 2015 and 154 in 2016. This shows an increase in the number of inspection visits to work places by labour/factory inspectors of the Federal Ministry of Labour in Abia, State within the study period.

Table 5: Inspection Visits to Work Places by the FML, Abia State, 2010-2016.

| Year | Number of labour/factory inspectors in FML Umuahia | Number of inspection visits by labour inspectors. | Number of inspection visits by factory inspectors. | Total number of inspection visits in the year. |
|------|--|---|--|--|
| 2010 | 6 | 31 | 34 | 65 |
| 2011 | 6 | 43 | 45 | 88 |
| 2012 | 6 | 47 | 50 | 97 |
| 2013 | 7 | 50 | 54 | 104 |
| 2014 | 7 | 52 | 59 | 111 |
| 2015 | 9 | 69 | 68 | 137 |
| 2016 | 9 | 75 | 79 | 154 |

Source: Data provided by the State Controller of FML Umuahia during face- to-face interview 24th -25th May 2017.

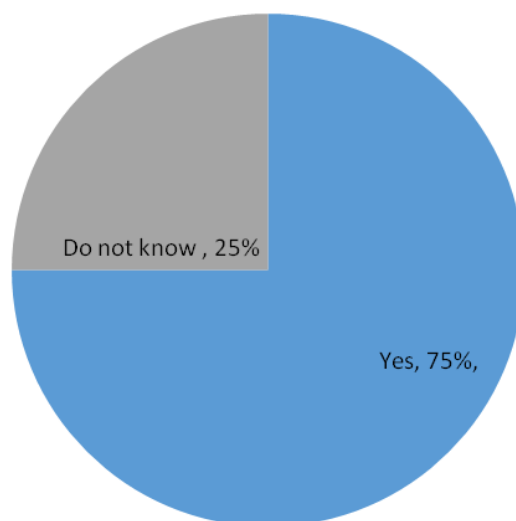
Days/hours of work in a week by Labour/Factory Inspectors in Abia State

Aside inspection, another way to determine the productivity of the inspectorate the hours of work put in a day, time of arrival to work and number of days worked in a week. The minimum wage in Nigeria is based on monthly income with an average working period of eight hours (8) daily to resume by 8am and close by 4pm and to work for five (5) days Monday through Friday on weekly bases (Labour Act, 2004). Through the office attendance register which the controller called up from 2010 through 2016, as succinctly captured in Table 6, it is evident that the number of hours of work in a week increased from 3 hours in 2010 to 4 hours in 2012, and 5 hours in 2016. Similarly, the number of days of work in a week increased from 2 days in 2010 to 4 days in 2012, and 4 days in 2016. This shows that the implementation of the National Minimum Wage Act and payment of N18000 minimum wage improved the productivity of the workers since it is motivational hence the workers increased the hours and days of work in a week, unlike before

when workers stayed away and hours/days of work were used to attend to their personal needs and businesses.

In view of the foregoing documentary evidence, we sought to find out from the respondents, the implementation of the minimum wage and its impact of workers' productivity, in terms of the number of inspection visits to Work Places by the Federal Ministry Labour, Abia State. The responses are presented on the table below.

Table 1: Responses of the respondents on whether Labour Inspectors regularly visit work places in Abia state to ensure strict compliance to the 2011 MW Act?



Source: Field Work, 2017

The responses of the respondent indicate that the Labour Inspectors regularly visit work places in Abia State to ensure compliance and create further awareness of the provisions of the act and sanctions applicable to defaulters. During face-to-face interview, the Controller Federal Ministry Labour, Abia State stated that labour officers do visit work places regularly for investigations. He also maintained that though the workers were visiting work places for inspection, the rate at which this is done has tremendously increased since the implementation of the minimum wage in 2011. This correspond with the documentary evidence which shows an increase in the number of inspection visits to work places by labour/factory inspectors from 88 in 2011 to 111 in 2014 and 154 in 2016.

Training of the Labour/Factory Inspectors

A Global code of Integrity was developed by the International Association of labour Inspections (IALI) at Geneva in 2008 for the endorsement of member states as a key strategy towards an ethical frame work of values such as knowledge and competence, honesty and integrity, courtesy and respect, objectivity, neutrality and fairness, commitment and responsiveness and finally consistency between personal and professional behavior (ILO, 2008). This code requires the inspectorates to engage with their communities and governments, particularly with work place stakeholders such as representative of employers and workers.

Nigeria as a signatory to convention no 81 on labour inspection (LI) is faced with inadequate labour inspectors who have received intensive professional training and capacity development to deal with the challenges of Labour Inspection and synergy with stakeholders. More so inspectors are generally charged with a broader mandate of improving compliance levels, rather than enforcing a law. In order to achieve this, the inspectorate requires skilled inspectors who have a comprehensive knowledge of the various labour laws and can weigh up infringements on a case-by-case basis. We therefore asked the respondents whether there was human capacity training for the Labour Inspectors within the study period to be able to identify the main challenges to the implementation of the 2011 MW Act, the responses are presented below.

Table 8: Number of labour inspectors in the Federal Ministry of Labour and Employment, Umuahia who attended training within the study period

| Years | Number of labour inspectors | Number of inspectors who Attended training. |
|-------|-----------------------------|---|
| 2010 | 6 | - |
| 2011 | 6 | 1 |
| 2012 | 6 | 3 |
| 2013 | 7 | 5 |
| 2014 | 7 | 5 |
| 2015 | 9 | 5 |
| 2016 | 9 | 5 |

Source: Author's compilation from interview with the controller.

Table 8 shows that while only one inspector went for training in 2011, three went for training in 2012, five went between 2013 and 2016. The implication of this is that labour inspectors were involved in human capacity training and, to a large extent, should have full knowledge and interpretation of the extant labour laws, hence they should know when and how to enforce the 2011 NMWA as well as sanction defaulters of the Act to boost productivity. We equally observed that, in addition to human capacity training, new recruits were usually put under the guidance of a senior colleague who guide and direct them.

Based on the evidence provided above, we are inclined to accept our first hypothesis. Hence, the implementation of the 2011 National Minimum Wage Act accounted for the increase in workers' productivity in the Federal Ministry of Labour, Abia State between 2011 and 2016. Meanwhile, having examined the impact of minimum wage on workers' productivity in the Federal Ministry of Labour, we proceed now to ascertain the impact of minimum wage on workers' productivity in the Immigration Service.

Summary

The study examined the impacts of the implementation of the 2011 Minimum Wage Act on the level of productivity in the Federal Ministry of Labour in Abia State, Nigeria between 2011 and 2016. Accordingly, the broad objective of the study was to examine the impacts of the implementation of the 2011 Minimum Wage Act on the level of productivity in the Federal Ministry of Labour in Abia State, Nigeria within the period of study. The study relied largely on the basic assumptions of Abraham Maslow's Motivation theory. To verify our hypotheses, the study adopted time series research design, while documentary methods and survey techniques based on instruments of questionnaire and interview were utilized for data collection. Data collected were analyzed using tables, charts, and simple percentage difference, content analysis and logical induction. Thus, the study found that the implementation of the 2011 National Minimum Wage Act, as seen in ₦18000 minimum wage accounted for the increase in workers' productivity in the Federal Ministry of Labour, Abia State between 2011 and 2016. As a result, there was an increase in revenue generation, number of hours and days of work in a week as well as the number of inspection visits to work places by the labour inspectorates of the FML to enforce the 2011 NMW Act in Abia State.

Conclusion

The Minimum Wage Act of 2011 provides for a revised national minimum wage of ₦18,000 per month for all establishments in the public and private sectors, employing 50 workers and above, and a realistic penalty regime for violation of the provisions of the Act. To achieve this objective, the Federal Ministry of Labour is statutorily mandated to oversee the implementation of the 2011 MWA. The labour inspectors of the Federal Ministry of Labour, therefore, visits work places to inspect, monitor, enforce the labour act and compliance to the 2011 MWA. In addition to visiting work places to enforce compliance to the 2011 MWA, the labour inspectors of the Federal Ministry of Labour also generate revenue through registration of factories, sale of forms and issuance of recruiters' license to the companies that meet the relevant requirements.

Based on the study of the Federal Ministry of Labour in Abia State, this study contends that the introduction of the National Minimum Wage Act and payment of ₦18000 minimum wage accounted for the increase in revenue generation, number of hours and days of work in a week as well as the number of inspection visits to work places by the labour inspectorates of the FML to enforce the 2011 NMW Act in Abia State. In sum, the implementation of 2011 MWA enhanced workers' productivity in the Federal Ministry of Labour in Abia, between 2011 and 2016 with regard to revenue generation, number of hours and days of work in a week as well as the number of inspection visits to work places by the labour inspectorates of the FML.

Recommendations

Based on the findings of the study, the following recommendations are put forward:

1. Minimum wage should be reviewed every five years, as contained in the Minimum Wage Act, as a way of motivating workers for effectiveness and increase in productivity.
2. Enough resources should be made available to the labour inspectorate for effective and regular inspection visits to work places.

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