IMPACT OF INDUSTRIAL CONFLICT ON ECONOMIC DEVELOPMENT IN NIGERIA: (A STUDY OF NIGERIAN STUDENTS AND TRADE UNION IN OGUN STATE)

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Abstract

One of the challenges of Economic development in Nigeria is industrial dispute. This has both costs and benefits to the government, labour and management otherwise known as the three social partners. The causes of this trade dispute have generally been established as the inability of the concerned parties to settle their differences which consequently impact negatively on goal achievement. Hence, the study investigated the impact of industrial conflict on Economic development in Nigeria using students from selected tertiary institutions and trade union in Ogun state. Both primary and secondary data were elicited. Secondary data from Journals, text, internets etc. Questionnaires were administered to 100 each of students and trade unionists drawn from a total population of 350 as was generated from yamane formula. 171 respondents carefully completed and returned their questionnaires on which our analysis was based after subjection to regression analysis of the statistical package for social sciences (SPSS). Results indicated strong correction between industrial conflict and economic development at 5% level of significance carrying out a multiple regression analysis. $R^2 = 0.209$, $\beta = 0.357$, $P^v = 0.094$, hence $P > 0.05$ level of significance (H1 is accepted). Based on the above observations, we recommend channelling labour-relations mechanism to facilitate continuous interface so that differences are narrowed creating room for peace and productive time instead of argument and dispute. The government and labour unions should make provisions for negotiations and conflict resolution to avoid conflicts and strike actions. Each party is to respect and abide by the dictate of any accord reached otherwise the process of arbitration must be allowed to take due course according to the government Laws and Policies.

Keywords: Industrial conflict, Economic development, Labour union, Collective bargaining and Strike.
Background to the Study
Conflict arises as a result of argument or disagreement between two parties. A conflict situation is characterized by the inability of those concerned to iron out their differences. Conflict is by nature ubiquitous and inevitable in human existence. It is a product of human interaction and relation, and its occurrence is only among and between parties or groups. The concept of industry involves an exchange relationship between two major actors namely, employers and employees, as well as the intervening role of the state. Industrial conflict can therefore be defined as the inability of these parties (either between employer and employees or within their groups) to reach agreement on any issue connected with the object of employer-employees interaction, whether or not this inability results in strikes or other forms of protestation. Conflict arises from a desired scarce resources or power. Conflict is considered as a fact of life. God made each individual unique; therefore some of our views and opinions differ from one another. This is because people of various backgrounds, culture, belief and religions came together and exist within the same environment. No matter how hard we try to avoid it, conflict is a natural phenomenon in all human society that occurs in our day to day activities. Conflict is disagreements through which the parties involve perceive a threat to their needs, interest or concern. It may be a struggle or contest between people with opposing needs, ideas, beliefs, values, goals, pride, self-concept, ego and sense of mission or purpose. Conflict is therefore, inevitable in our daily life but could be minimized, diverted, managed and resolved. Conflict amongst employees or between employees and employers usually results to industrial conflict. At this point the remedy may be collective bargaining. Collective bargaining is to negotiate for favourable terms related to union’s exclusive representation, union security, union rights and privileges, labour and management committee, and grievance machinery, among others (Kabuoh, Iyankume, Erigbe and Ilori 2014). Two kinds of disputes are usually identified, these are: disputes of interests and rights disputes. The disputes of interest pertain to conflict in collective bargaining arising out of the making of new contracts or the renewal of existing ones; while rights disputes involve the violations (alleged or established) of rights already existing in collective employment contracts. Therefore, conflict already exists even at the bargaining table and whether the bargaining fails or succeeds does little to remove the conflict situation and the possibility of using the strike to further the interests of the parties. The problem of funding and wage grievances in Nigeria’s education sector has led to a series of strikes by various groups such as the Nigerian union of teachers, academic staff union of universities, non-academic staff union of universities and other bodies. Statistics from the national universities commission (2002) reveal that since 1992, ASUU has embarked on strikes over 23 times to drive home its demands. The existing statutory machinery for the settlement of disputes as could be found in the Trade Disputes Act 1976 and all subsequent amendments has not been effective in terms of delays experienced by aggrieved parties as well as cumbersomeness of the procedure. Oftentimes, judgments drag on for years and justice delayed is justice denied. More so, the statutory dispute settlement procedure has not fostered industrial harmony to a large extent (Chidi, 2010).
Statement of the problem
Industrial conflict is associated with some related problems as its causes which was the focal point of this study. Our government seems to have forgotten the mantle placed on them as regards educational issues. They try to fulfil their selfish interest and forget that the lives and future of our youths are at stake. This action does not concern Education sector only but also cuts across trade unions. The whole system is placed in the hands of selfish minds that prefer to build sky scrapers with about 70% of what ought to have been used to boost our Economy. If the rightful amount that ought to be earned by a particular citizen is that which is truly given to him/her, there wouldn't have been any cause for dispute. The reverse is where Nigerian Economy stands presently. If Nigerian Government can go back to their drawing board, re-shuffle the salary scheme of all Government workers, the willingness to work and even do more will actually set in. A cursory look at our service scheme, will critically depict that Government workers stay more in service than they should and this occur as a result of our non-functional economy. If everything is being put in place, we should have retiring age of 50 instead of the popular 60 and even 70 for Professors/Lecturers. The number of students admitted into higher institutions every year is also a bottle-neck that needs to be looked into because the available resources cannot cater for the list of undergraduates we have presently. If the need arises, Government should be willing to build higher institutions to cater for this and this will also serve as an avenue for job creation to our array of unemployed graduates. The above problems therefore gave rise to the objective of this research which is to examine the effect of industrial conflict on economic development of Nigeria.

Hypothesis
A lone hypothesis was tested and analysed. This is done to find out whether or not there is a significant relationship between industrial conflict and economic development

Hypothesis
H0; Industrial Conflict has no effects on economic development of Nigeria.

Operationalization of the variables
Y = f(x)
X = Independent variable
Y = dependent variable
F = function
Substituting Y and X
Y = f(x)
X = Industrial conflict (Leadership style, dispute, strike)
Y = Economic development (Education, oil & transport sectors)
Reviews are made of conceptual, theoretical and empirical studies relating to industrial conflicts and industrial relations management. Industrial relations management not only enhances productivity of the workers, but it also helps in settling disputes through collective bargaining, in the areas of job satisfaction, job regulation and job rules (Donkor, 2010).

**Conceptual framework**

**Labour conflict:**

Various authors have defined conflict in different forms and concepts depending on their different perceptions. Andesine (2009) sees conflict as the act of striking together, mutual interference of opposing or incompatible forces, ideas, interest context, and discord. Conflict is a difference or disagreement of opinions, ideals or goals between parties, individuals or groups (Anioke, 2002). Conflict could be inter-personal or inter-group; it could present itself in a single or multi-dimensional form. It can be violent or non-violent, latent or manifest Ufok (1987) and Iwok (1995) almost shared similar opinion in the meaning of conflict. They view conflict as a state of emotional stress in a person or group of persons arising from collision of different needs, methods of operation in a given situation. Often times, conflicts either overtly or covertly manifest themselves thereby enabling people to sense their existence. Based on the above, one can deduce that conflict can occur with:

1. An individual - This is known as intra-personal conflict
2. Between two groups- This is known as inter-personal conflict
3. Between or among groups of people, units, or departments, this is known as inter group or unit conflict.
4. Between or among different organizations or nations, this is known as inter organizational or inter-national conflict.

Fujana (1997) states that “modern industrial conflicts seem inevitable since the domination of management is to maximize profit while labour’s concern is to secure and maintain the highest level of wages with the best conditions of their service. In this process conflicts emerged between the social partners in an effort of each partner to obtain maximum benefits of the industry. Anugwom (1997) argues that conflict goes a long way in shaping the industrial relations system of any nation. Hence, in spite of their differences, both parties are committed to the continuation of their relationship. (Fashoyin, 2010) Labour conflict seems to be more pronounced in public sector organizations especially at local government councils. Anugwom and Ukaegbu (1998) argue that public unions have substantial market power and are usually in a position to play a key role in the political process. It is this unique positioning that make them conflict prone. Underlying the inevitability of conflict in industrial relations, Njoku (2000) writes that “one of the qualities of a good trade union leader is his ability to resolve conflicts and settle grievances without hullabaloo”. Today, the Marxist interpretation of the nature of relationship between the
employers and the employees in industrial organization (especially in capitalist countries) appears not realistic and fashionable. For, in most developed nations both the employers and the employees have developed through mutual cooperation, strategies for conflict resolution.

Causes of labour conflict
As the size of an organization or industry increases, more managers are employed; they come in with different types of attitude, management and leadership styles. Goals become more formal, departments become more specialized and potentials for conflict increases (Halimatu, 2002). Conflict is so closely related to loss of peace that is tempting to define peace as the opposite of conflicts. Oguebe (2001) argues that conflict is as central to life as we know it. A life without conflict is no life at all. Therefore, conflict is not abnormal in an organization hence a peace achieved by eliminating conflict is the peace of the graveyard. In the public sector, the workers are always disenchanted with the government over its handling of workers' welfare and the general penury facing the nation. Supporting this view are writers like Obasemi (2004) Chukwuezi (1996), and Etiebet (1996). They have expressed lack of faith in the government and in the country's present leadership. Usman (2005) has identified as the almost total freeze on new employment, large scale retrenchment, chronic and serious shortage of food stuffs and all types of goods as well as the high rate of inflation and the consequent reduction in real value of wages, salaries and allowances coupled with the interplay and irregular payment of these, as not auguring well for workers. Anugwom (1997) sees the economic depression in the country as exposing workers to a high level of economic hardship which was not witnessed in the past. He further contends that the public sector workers have been faced by given economic realities and may have seen conflicts as a way of breaking loose from the shackles of economic deprivation.

In the local government system, there are several sources of conflicts ranging from political instability, poor financial base, and incessant demand for increase in wages, fringe benefits, regular payment of salaries, leadership problem and poor communication (Ugwu, 2000). Writing on politically instability as one of the causes of conflict at the Local Government, Obasi, (1998) argues that the Nigerian political and economic system for a long time have been characterized by an unstable political climate and economic recession consequent upon this high rate of instability in the political sub-system, local governments have experienced a lot of changes that are generating conflicts between policy makers and the workers. There has been series of petition writing, court litigation and demonstration by chairmen and councillors of local government over their tenure of office. In June 2002, most of the state governors including Enugu state dissolved their Local Government Executive and Legislative Councils and replaced them with appointed members to function as “Transitional to Executive” pending the time Local Government elections were held. There have also been conflicts over the interpretation of the relevant provisions of the 1999 constitution and the local government laws. Some examples of states where there
have been conflicts in the Local Government include Enugu, Anambra, Ebonyi, Imo, River states to mention but a few (Ugwu, 2000). Specifically, some local governments, where there have been conflicts include Ohaozara and Abakaliki local governments in Ebonyi state, Udi, Enugu south and Igbo-Etiti Local Government in Enugu State (Ugwu, 2000).

Lack of communication:
Ugwu (2000) contends that lack of communication over issues and absence of effective organizational frameworks to handle grievance make workers feel despondent and aggrieved. This can bring about mistrust, misinformation and crisis.

Payment of salary and other workers' benefits:
There is no gainsaying that in many local governments across the country today owing their workers salary areas ranging from 3-4 months. Ezeja (2002) contends that local government workers in Enugu State are being owed areas of salaries between seven to twenty five months. As at May, 2010, N15.3 billion was being owed by local government workers as salary arrears nationwide (Ebo, 2010). In most countries the right to work is seen as freedom for individuals to earn a living by work freely entered into. Welfare (2001) and Johnson (1993), argue that the state's contribution should be to create a climate under which individuals are able to exercise such a freedom. The work environment should not be a battle ground where the employee and employer should see each other as enemies. Both should rather be regarded as partners having common goals to achieve. Decisions should be taken with every opinion being paramount imbibing democracy rather than an autocratic setting. Supporting this view Nwachukwu (1988) identified three major organizational leadership styles, namely autocratic, Laissez - faire, and democratic. He favours the democratic leader. The leader gets members involved in decision making while the autocratic leadership is synonymous to conflict.

Reform crises in Nigeria
Reforms emanate from the emergence of an ideology known as neoliberalism, which first gained acceptance in Chile and Britain in the 1970s. This ideology stipulates the need for reduction in the role of the state in the economy for promotion of entrepreneurship, investment, and socio-economic development through reductions in subsidies, tax reform, tax cuts, stabilisation of money supply, free flow of trade and other market-oriented reforms (Henisz, Zelner & Guillen, 2005). These processes provide a background for the analysis of the Nigerian model of neoliberal reforms, which promote mismanagement of industrial conflicts. Nigeria is among the countries with poor records of socio-economic development, following implementation of reforms. The situation in Nigeria was described thus: Civil servants generally received low pay and several fringe benefits such as free housing, free vehicles, and various other allowances that often led to waste and misuse of government resources. Weak management and oversight also meant that there were problems with ghost workers on the government payroll; while personnel and pension registers often were unreliable. Moreover, a weak incentive structure in the civil service,
which did not foster good performance, resulted in a weak work ethic and poor service delivery by many government ministries, often characterized by hidden or outright corrupt behavior on the part of many civil servants. Reforms were therefore needed to re-professionalize the civil service and increase its focus on service delivery (Okonjo-Iweala & Osafo-Kwaako 2007:14).

The above submission is a typical justification of the need for reforms in Nigeria. However, despite regimes of reforms in Nigeria, tangible industrial development has not been entrenched and major institutions are replete with crises. Each regime of reforms is accompanied by lingering industrial crises and mounting socio-economic malaise. Thus, the Nigerian reforms, which are expected to enhance quality of lives, have succeeded in reducing living standards of the majority thereby fuelling controllable industrial crises in the country. In the contexts of the Nigerian industrial social structure and popularity of strikes, peace building has been a fundamental challenge.

Labour reform and industrial conflicts in Nigeria
Labour reform refers to amendments of aspects of the labour law. The Nigerian labour law includes different Acts including the Labour/Employment Act, Workmen's Compensation Act, Factories Acts, Trade Disputes Act and the Trade Union Act. A typical model of labour reform is the 2005 Trade Union Act, which includes new orders. For instance, in the 2005 Trade Union Act, the Nigerian government ordered that in collective bargaining all registered trade unions must constitute an electoral college to elect members who will represent them in negotiations. Collective bargaining (CB) was originated by Webb and Webb to describe the process of agreeing to terms and conditions of employment through representatives of employers (and possibly their association) and representatives of employees (and probably their unions) Rose (2008) cited in Kabuoh et all (2014).

Thus, the Nigerian government has amended the most important step in the collective bargaining procedures, that is, the statutory recognition of trade union as a bargaining agent for the employees within the bargaining unit in relation to terms and conditions of employment. Labour reform has been criticised in this regard. The modalities for constituting an electoral college were not specified (Okene, 2007). This gap may generate more industrial conflicts and open up opportunities for the state or employers to manipulate criteria for the selection of representatives for negotiations. It is argued that each of the components of the labour law requires major and detailed review, and thus singling out the Trade Union Act for patchy amendment is inadequate (Otobo, 2003).

Theories of industrial conflict
It is generally perceived that the factors that gave rise to trade unionism may not necessarily be the same factors underlying industrial conflicts. Some of the theoretical explanations for the phenomenon of labour unionism are also used in seeking to explain industrial conflicts. As a result, such sociological orientations as they conflict, functionalist, neo-classical economic or prosperity, and the industrialization theories (Chamberlain and
But of all these theories, the conflict and neo classical economic viewpoints seem more amenable to the explanation of contemporary industrial conflicts. Anugwom (1997), Dhrendorf (1976) see conflict not only as necessary but also as functional to the society and industrial enterprise. Dhrendorf further sees industrial conflict as a basic factor underlying societal dynamics. The industrialization paradigm sees the rise of industrialization as to create a scenario where all participants are interested in gain maximization. When this happens, there is bound to be conflict which results from the struggle.

There are other labour conflict theories which are management, technology or Marxist based. Michael (1997) a scholar of the human relations school confirms that the theory has its origin from the theories experimented in an industry (Hawthorne studies) of which the main proponent is Elton Mayo. The central thesis of the theory is based on the importance of informal relationship, good communication and supervision in the work place as sources of industrial harmony and peace. One of the important findings of the Hawthorne studies is that informal social groups play a crucial role in work place. Mayo cited in Michael (1997), Cornfield (2011) stated how an information group can frustrate the efforts of management.

He summarizes that the absence of proper communication within the group may be a cause of frustration and dissatisfaction that ultimately may be a cause of labour conflict. Similarly, the neo human relations school added that workers seek for well-defined satisfaction from their employment and emphasize that these factors of satisfaction may not be mainly monetary rewards. Therefore, the human relation school argues that in any organization, it is no doubt desirable to improve communication and increase freedom of workers to have their decision in the work places to enable them feel part of the organization. Accordingly, this reduces conflict in work places. The Marxist School of Thought as expressed by Miles (1992), states that industrial relations occur within dynamic conflict situation. Such conflict situation viewed as a product of labour market in which the workers sell their labour on one hand and the buyers of labour power who own the means of production purchase the labour power (for them the cost of labour power is an implicit factor in the cost of production on the other hand). Thus he states that: These two interests are irreconcilable. They are engaged in perpetual conflict on the distribution of revenue. It might be stated that the interest have a common purpose in increasing total revenue, but the conflict over distributions is a sure lessened by this for the actual distribution of additional increment of revenue determined by the power situation. Employees with no power may get nothing. There is no automatic distribution based on sense of fairness and equality, shares have to be fought for sometimes bitterly (Miles, 1992)
Empirical Review

The Nigerian Civil Service Union (NCSU) was one of the first to be formed in 1912. In 1919, the Nigerian railway, native staff union of teachers (NUT) was formed in 1939. On April 1937, trade union was to be registered before it could negotiate with an employer to take industrial action. The most vigorous union at that time was the railway workers union (NWU). The active roles played by this unions led by Michael Imodu as regard the cost of living award, made government to take more active interest in labour matters in 1982; the department of labour was formally created and was staffed by senior administrative officers. Also the trade dispute and arbitration ordinance were enacted. By 1942, the atmosphere was set for a favourable collective bargaining practice (ILO, 1996). According to a study by Kabuoh et all, (2014) collective bargaining agreements often institutionalise settlement through dialogue. For instance, a collective agreement may provide the method by which disputes between the parties will be settled. In that event, the parties know beforehand that if they are in disagreement, there is an agreed method by which such disagreement may be resolved. It is a form of participation. Both parties participate in deciding what proportion of the 'cake' is to be shared by the parties entitled to a share.

Methodology

The population for this research work comprises of two categories of individuals from a trade union in Ogun State and five tertiary institutions randomly selected. The first category falls under the Trade Union Workers while the second category falls under the Student/Academic Staff Union. Both primary and secondary data were elicited. Secondary data from journals, text, internets etc. Questionnaires were administered to 200 respondents. 100 each of students and trade unionists drawn from a total population of 350 (50 from each institution and 100 from trade union) as was generated from yamane formula. 171 respondents carefully completed and returned their questionnaires on which our analysis was based and further subjected to regression analysis of the statistical package for social sciences (SPSS).

\[ N = \text{Study population} \]
\[ n = \text{Sample size} \]
\[ b2 = \text{Error margin} \]

Therefore: \[ n = \frac{350}{1 + 350 (0.05)^2} = \frac{350}{1 + 0.75} = \frac{350}{1.75} = 200. \]

Testing of Hypothesis; Industrial conflict has no significant relationship with the Nigerian economy.
Table 1: Testing Hypothesis 1

<table>
<thead>
<tr>
<th>Construct Association</th>
<th>‘α’ Level</th>
<th>Beta</th>
<th>p-value</th>
<th>Significant (yes/no)</th>
<th>Hypothesis</th>
<th>Validation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial conflict and economic development</td>
<td>0.05</td>
<td>0.357</td>
<td>0.094</td>
<td>Yes</td>
<td>Accept H1</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Research Field Survey, March 2014

Interpretation and discussion
The result of this study corroborated the significant relationship between industrial conflict and economic development in Nigeria (Table 1 above) ($\beta = 0.357$, pv = 0.094). Hence given that p > 0.05 (0.05 level of significance), H1 is accepted. This means that industrial conflict has significant relationship with economic development in Nigeria.

Conclusion
Conflict is an essential part of life. Conflict exists in various categories; within an individual, between individuals, between employees and employers, organization and organization, group and government among others. Where there are labour relations, one inevitably finds labour disputes and the need to resolve them efficiently, effectively and equitably for the benefit of all the parties involved and the economy at large.

Mediation being one of the most favourite dispute resolution alternatives, mediation is a way that warrants due attention, depending certainly on the prevailing condition. It furnishes the parties, when integrated with a congenial legal system, with a prospective direction as well as a greater sense of satisfaction than do other methods of conflict resolution. The prevailing aim of industrial relations is to espouse the spirit of peaceful relations between labour and management. This goal is achieved through the instrumentality of collective bargaining which avails the concerned parties the opportunity for interest adjustment and compromise under an atmosphere devoid of imposition and trepidation. The unimaginable difference in the wage and salary gap between political office holders and other appointees and those of public servants has been at the centre of raising agitation by the latter for corresponding improvement in the wages of their members. This agitations and submission to the government to effect the change in the spirit that is emblematic of fairness and equity has continued to resonate on deaf state ears thus provoking labour to take the hard path of trade dispute via strike. This last action had forced the government to reconsider its position and follow the path of negotiation which saw the introduction of the new minimum wage law. Sadly, rather than for the government
to abide by to demands of the new wage law, the government had resort schemes aimed at reneging on its obligations thus sparking off a renewed confrontation and labour unrest in Nigeria. It was found that industrial conflict has a significant relationship with economic development in Nigeria.

Recommendations
In the light of the findings of this study, the following recommendations are made. There is the need to strengthen and utilize existing labour-relations mechanism to facilitate continuous interface so that differences are narrowed and frustrations are re-channel into useful productive ends so as to ensure that conflict is minimized and services are not disrupted. Collective bargaining is suggested as settlement mechanism. Both the government and labor unions must allow room for dialogue adjustments and readjustments of demands based on socioeconomic conditions during the period of negotiation. Once agreements are reached and signed, both the employees and employers must seek to respect and abide by the dictates of the accord. Where the negotiation process fails to resolve the discontent, the process of arbitration must prevail. Government should always respect and implement agreements reached with workers' unions to forestall unpalatable face-off with the unions. Negotiation should be conducted in an atmosphere that is open, honest and devoid of domineering tendencies. The Productivity being the agency of the government charged with the responsibility of labour and industrial relations matters should put in place alternative dispute resolution mechanisms in view of the drudgery inherent in the statutory dispute settlement procedure to facilitate speedy resolutions of disputes.

References
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