

Contributions of employment and labour laws to the economic growth of Nigeria: some selected laws in focus

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Abstract

The paper examines the contributions labour laws to the economic growth of Nigeria. It focussed on some selected laws related to employment and labour to argue that these laws contribute to economic development. The laws are classified into the following: International Labour Organisation's (ILO) fundamental labour standards, hiring and termination, freedom of association and collective bargaining and minimum wage ILO's fundamental labour standards create the structure for human resource advancement to ensure justice and equity in the workplace. Hiring and termination statutes prevent maltreatment of workers, particularly in non-causal dismissal. Collective bargaining laws ensure bargaining ability of workers in the labour relations Tax laws for instance pay as You Earn (PAYE) tax which is collected by employers, the income is applied towards economic growth. Minimum wage law ensures higher efficiency through better diet, lower absenteeism and output; and multiplier impact in the economy.

Keywords: economic growth, labour laws, employment laws, industrial laws, development, Nigeria

Introduction

Labour relations from economics perspective has two edges that are inseparable: first, it has an interdependent edge because employers and workers are interdependent in order to manufacture and develop, and second, it has an antagonistic edge because after the manufacturing process is finished, employers and workers 'fight' each other for the gains of the manufacturing. As anticipated, the outcome or consequence of the antagonism decides or dictates who gets more gains of what is manufactured and it rests on the negotiation skills of the parties involved. The major economic reason for employment and labour law is that there is an unbalanced negotiating power between employees and employer, which is powerful for employers^[1]. From this viewpoint, labour law comprises or represents a trade, market or business body that control their functioning. Labour law controls the labour connection or link by giving employees some level of benefits or protection, the freedom to unionize and bargain collectively and also defining duties and procedures for both parties. Simultaneously, employment and labour laws usually infer or suggest costs, especially for businesses. In both ways, they control or affect employment, wages, resource allocation and also affect other aggregated unstable factors such as investment, welfare, trade, demand, etc. There are many ways through which employment laws affect variables and economic Incentives^[2]. Focusing on some employment laws, the article examines the contribution of industrial laws to economic development of Nigeria. The laws are classified

thus: International Labour Organisation's (ILO) fundamental labour standards, Hiring and termination laws, Freedom of association and collective bargaining, Tax laws (Pay as You Earn PAYE) and Minimum Wage. It then used at least one law from the broad classification to engage in the discourse herein.

Variants of the Employment and Labour Laws and their Effects

Focus will be on Freedom of association and collective bargaining Laws, Pay as You Earn (PAYE) Tax and Minimum Wage law. The economic influence of employment laws rests on the kind or category of laws analysed. There are several types of employment laws. And it has been observed that there are also diverse classifications or categorization of these laws. The most common approach is to divide them into three main bodies: individual rights, collective rights and process laws. The ILO uses the fundamental and not fundamental rights approach in order to emphasize that the first are recognized internationally as a minimum set for all countries and the latter allow for national specificity.

Some studies that provide general classifications of labour and labour-related laws. For example, Botero, Juan; Djankov, Simeon; La Porta, Rafael; Lopez-de-Silanes, and Florencio A Shleifer^[3], proposed four groups: employment laws, collective relations laws, social security laws, and civil rights. Employment laws are related to the labour contract and its conditions: hours and time of work, hiring and firing regulations and procedures. Collective relations laws are related to the right to unionization, to collective bargaining, institutions and characteristics of the bargaining and dialogue process; and the regulations on collective disputes

¹ R G Ehrenberg and R S Smith. *Modern Labour Economics, Theory and Public Policy*. (8th edition: Addison Wesley New York 2003)., see also Juan Chacaltana, "Economic implications of labour and labour-related laws on MSEs: A quick review of the Latin American experience", (International Labour Organization, Switzerland 2009)3, <http://www.ilo.org/wcmsp5/groups/public/@eemp/@empent/documents/publication/faccessed 18th April, 2017>

² *ibid*

³ Juan Carlos Botero, Simeon Djankov., Rafael La Porta, Florencio Lopez de Silanes Andrei Shleifer, 'The Regulation of Labor', (2004) 119 (4) *Quarterly Journal of Economics* 1339

and strikes. Social security laws regulate the risks of low income at older ages, disability and death, sickness and health and unemployment. Finally, civil rights are related to labour discrimination on grounds of race or gender, maternity leave protection, minimum working age and minimum wages.

Another classification is provided by Portes ^[4]. Who distinguished four types of labour and labour-related laws: basic rights, survival rights, security rights, and civic Rights. Basics rights involve the rights against use of child labour, involuntary servitude and physical coercion. Survival rights include the rights to a living wage, to accident compensation and to a limited work week. Security rights involve the rights against arbitrary dismissal, to retirement compensation and to survivors' compensation. Finally, civic rights include rights to free association, to collective representation and to free expression of grievances ^[5].

The classification herein is in the following groups: basic rights or International Labour Organisation's (ILO) fundamental labour standards, hiring and termination laws, freedom of association and collective bargaining and Minimum Wage. A relevant question is: what are the likely effects of each type of law on employees, businesses and the economy? The likely effect is discussed herein.

Basic Rights or ILO's Fundamental Labour Standards

The ILO's Declaration, approved in June 1998, underscores laid down core labour ideologies internationally approved. The Declaration shelters four major areas for the creation of a social "floor" in the workplace. The following labour rights are what the ILO refer to as the fundamental labour rights.

- a. Right to associate and collective bargaining
- b. Termination of all forms of forced or compulsory labour;
- c. Termination of child labour and
- d. Termination of discrimination in employment and occupation ^[6].

The stimulus behind the ILO's objective of the listed fundamental rights was the idea of social fairness or justice. In the sphere of labour, the humane concern initially manifested in situations of great hardship industrialization has foisted on the workers. The term "social justice" was formulated and introduced in 1919 during the deliberations at the peace conference, when the first ILO Constitution was being drafted as part of the Treaty of Versailles. This idea has been certainly the most important force in the evolution of international labour law. It has been often stressed that economic development does not ensure automatic social progress. However, there remains a general tendency to give economic growth priority over social reflections. It is, therefore, the role of international labour standards to encourage balanced social and economic progress ^[7].

These labour rights which are fundamental may be viewed

as instrument or mechanism for enhancing efficacy. Their function that is economic is helping to create the institutional and legal structure for human resource advancement to ensure justice and equity in the workplace as well as degree of certainty and likelihood. These labour rights that are fundamental help to evade the over use and under use of workers' capability and the maltreatment of weak groups and individuals in the employment or labour market ^[8].

Hiring and Termination

One of the laws relevant to hiring and termination is the Labour Act 2004 ^[9]. It controls many facets of the employment relationship beginning from likely or prospective terms of the employment to firing or termination. Hiring and termination statute like the Labour Act protects workers, and this ensures stability and security in their work or employment and also to prevent maltreatment particularly of non-causal dismissal. Nevertheless, in doing so the regulations or controls could affect firms' productivity or motivation since firms want or need efficiency to be visible. Also, firms want the position or possibility of introducing or bringing in changes in both the manufacturing process and the capital or resources involved in it. Increasingly or progressively unbalanced or unstable demand in the market for goods makes firms to adjust their manufacturing procedure regularly. Hence, the need to adjust or regulate labour and the firm size. If hiring and termination regulations are too stringent, in the midst of unstable demand for goods, motivation or incentives to employ or to fire formally might be reduced. For these explanations, some contend that in the effort to protect workers, these controls really or actually hurt them, decreasing proper labour demand ^[10].

Freedom of Association and Collective bargaining Laws (Nigeria)

The relevant laws herein are all laws which guarantee freedom of association and collective bargaining in Nigeria. See Section 40 of the Constitution (as amended), section 9 (6) of the Labour Act, Sections 1 and 24 (1) of the Trade Union Act, Article 10(1) and (2) of the African Charter (Ratification and Enforcement) Act, Sections 3, 4 and 5 of the Trade Dispute Act. Collective bargaining and freedom of association laws are enacted so as to reinforce bargaining ability of employees in the competitive position of the labour relation. Trade unions frequently focus on salaries or wages even though other allowances and benefits are usually included in the bargaining or negotiations ^[11].

⁸ Werner Sengenberger, *Globalization and Social Progress: The Role of International Labour Standards*, (A Report Prepared for the Friedrich-Ebert Stiftung, 2nd Revised and extended revision Bonn 2005) page 64 also in <http://www.newunionism.net/library/internationalism/FES%20-%20The%20Role%20and%20Impact%20of%20International%20Labour%20Standards%20-%202005.pdf> accessed 19th April, 2017

⁹ Nigerian: Labour Act; cap L1, Laws of the Federation of Nigeria (LFN), 2004.

¹⁰ J Heckman, and C Pagés, (2003) "Law and Employment: Lessons from Latin America and the Caribbean". NBER Working Paper No. 10129. <https://www.nber.org/papers/w10129.pdf> accessed 30th September 2020

¹¹ According to Szretter, (2004). "Argentina primaria" Productividad del trabajo en la economía no (Lima, ILO). there are three ways in which unions could influence in labour incomes. First, when the union restricts its own labour supply (for example, limiting the entry to the labour market); second, when it bargains threatening with the retiring of the labour supply (for example, a strike threat); and third, when the union uses its power to

⁴ Alejandro Portes when more can be less: Labor Standards, Development, and the Informal economy in *Contrapunto: The Informal Sector Debate in Latin America*, Cathy A. Rakowski (Ed.). (1994 Albany: State University of New York Press 1994), 113-130.

⁵ See also Juan Chacaltana (n1)

⁶ ILO "The International Labour Organization's Fundamental Conventions" http://www.ilo.org/wcmsp5/groups/public/@ed_norm/@declaration/documents/publication/wcms_095895.pdf accessed 18th April 2017

⁷ ILO, "International LabourLaw" http://training.itcilo.it/actrav_cdrom1/english/global/lablaw.htm accessed 18th April 2017

Regarding the economic consequence of trade unions, the literature has concentrated on the consequence on profitability and efficiency generally.

In the case of efficiency, there is a general belief that trade unions activities have an adverse effect on firms. Really, the pertinent question in this situation is: what ways do trade unions affect firm efficiency? The literature recognised two opposing views in this matter. There is a “negative” view (Dowrick Spencer^[12] Estey^[13]; McHugh^[14]; Rees^[15] that posit that trade unions have a negative consequence on firm efficiency at least in three specific ways:

- a. trade unions can impose rules at work that reduce efficiency within firms;
- b. strikes can cause losses in production and
- c. Trade unions’ salary or wage advantage can cause misrepresentations and ineffective distribution of labour resources.

The “positive” view (Clark^[16]; Barron, Fuess and Loewenstein^[17]), posit that trade unions can help increase efficiency:

- a. Trade unions’ salary and wage benefit encourage firms to find out new technologies so as to reduce labour expenses replacing capital for labour;
- b. Trade unions are a group or collective voice that can stop disputes and increases or raises workers’ effort and satisfaction
- c. Trade unions decrease labour turnover, thus increases workers’ security and encourages training, both connected positively with efficiency.

Freeman^[18] asserts that trade unions decrease unfairness (since trade unions decrease or reduce wage dispersion), turnover rates, firm’s benefits and increase workers’ satisfaction and benefits, efficiency and political activity. Theory alone by itself does not offer a clear response as to which one of these assertions is more significant. It is essentially an empirical inquiry and it rests on the country. International literature discovers mixed evidence: that there are nations in which trade unions’ activities affect efficiency positively and there are other nations with negative effects^[19].

increase labour demand, bargaining labour conditions, the entry of new technologies, pay and human resource systems or similar issues that can have a positive impact on productivity. He argues that there are no studies evaluating which of these mechanisms predominate see also, see also Juan Chacaltana, (n2

¹² Dowrick, Steve and Spencer, Barbara J. “Union Attitudes to Labour-Saving Innovation: When Are Unions Luddites?” (1994) *Journal of Labour Economics*, 12(2), 316-344.

¹³ Martin Estey. *The Unions: Structure, Development, and Management*. (Third Edition New York: Harcourt Brace Jovanovich, Inc 1981).

¹⁴ R McHugh. ‘Productivity Effects of Strikes in Struck and Nonstruck Industries.’ (1991). *Industrial and Labor Relations Review* 40 (4) 4 (July) 585–600.

¹⁵Rees. “The Effects of Unions on Resource Allocation”. (1963) *Journal of Law and Economics*, 69-78.

¹⁶Clark, K. “Unionization and Productivity: Micro-Econometric Evidence”, (1980) *Quarterly Journal of Economics*. December.613-639.

¹⁷ Barron, John M., Fuess, Scott M. Jr. and Loewenstein, Mark. “Further Analysis of the Effect of Unions on Training (Union Wages, Temporary Layoffs, and Seniority)”. (1987) *Journal of Political Economy*, (1987) 95, (3), 632-40.

¹⁸ Freeman, Richard. (2005.) “What Do Unions Do? The 2004 M-Brane Stringtwiner”. NBER Working Paper No. 11410.

¹⁹ Aidt, Toke and Tzannatos, Zafiris. (2002). “Unions and Collective Bargaining: Economic Effects in a Global Environment” (Washington D.C., the World Bank).

In Nigeria, it can be argued that trade union activities sometimes affect efficiency negatively. The results of industrial crisis that arises when employees and employers are not able to reach agreement are not generally beneficial to the firm or economy^[20]. The consequences are both small and great in nature. At the microeconomic position, the workers of the trade unions involved or implicated lose their immediate remuneration and that is why their market buying or purchasing ability end in decrease in welfare. Conversely, the employer whose employees are involved in industrial dispute or strike suffer loss or loses the trade unions services and as such unable to meet their customers’ or clients’ orders. And this invariably impact or affects their profit or returns margin. While at the macroeconomic position, it ends in loss of production of services and goods^[21] From association effects, other businesses or firms that make use of their products or goods as inputs are affected or injured and their production or manufacturing decreases or comes to a halt. Eventually, the economy of the nation is part of those that are affected negatively.

The consequences of industrial disputes are generally more severe or critical when it affects developed or advanced institutions. The reason for this is that at the time they suffer prolonged industrial dispute students are drawn to study just to pass compared to the tradition of learning for knowledge purpose. This have effects on the academic achievement and quality of education in the nation. In some situations, the higher institutions or higher colleges lose entire academic year because of the unresolved or lingering industrial dispute. For instance, the industrial dispute between the Nigerian government and the Academic Staff Union of Universities-ASUU persisted or lasted for six months in 2003, this made most Nigerian universities lost the 2002/2003 academic session^[22] Also, the 1993\1994 academic session was also lost as a result of ‘the June 12 crisis and strike’ in almost all higher institutions in Nigeria. This affected students because they spent more both in opportunity cost and direct cost of being in school. Most importantly the nation loses human quality capital formation^[23].

Other macroeconomic impact of industrial dispute is the movement of trained employees or workers to other countries where they believe that their services would be better remunerated or rewarded. This is also called brain drain^[24]. Brain drain usually have adverse effect on the economy because the country needs quality human resource for its development or advancement. Furthermore, frequent incidents of industrial disputes portend a great danger as it

²⁰ Evans Osabuohien and I.O. Ogunrinola, “Causes and Effects of Industrial Crisis in Nigeria: Some Empirical Clarifications, <http://eprints.covenantuniversity.edu.ng/4400/1/Causes%20and%20Effects%20Industrial%20crisis%20in%20Nigeria%3B%20Some%20empirical%20clarifications%20NJLIR.pdf> accessed 19th April 2017

²¹ Mas, A (2004) ‘Labor Unrest and the Quality of Production: Evidence from the Construction Equipment Resale Market’, *Industrial Relations/Labor Economics Seminar*, Berkeley: Princeton University.

²² Central Bank of Nigeria (2004) *Annual Reports and Statements of Accounts*

²³ Evans Osabuohien and I.O. Ogunrinola, “Causes and Effects of Industrial Crisis in Nigeria: Some Empirical Clarifications, <http://eprints.covenantuniversity.edu.ng/4400/1/Causes%20and%20Effects%20Industrial%20crisis%20in%20Nigeria%3B%20Some%20empirical%20clarifications%20NJLIR.pdf> accessed 19th April 2017

²⁴ B Christensen J Lentz, R, Mortensen, D, T, Neumann, G.R and A Werwatz, “On-the-Job Search and the Wage Distribution, (2005)” *Journal of Labour Economics*, 23(1).1, 31-58.

gravitates to increase cost of business or investment which will in turn affect the pace or speed of economic development of the nation ^[25]. Positive impact of trade unions activities in Nigeria comprises of the following:

- a. Remuneration or Wages Increased for its Members: Industries or firms with trade unions tend to or likely have higher remuneration or wages than non-unionised firms' industries.
- b. Balance-out Monopsony Power: In the place of Monopsony employers, trades unions can increase remuneration or wages and soar employment figures. Monopsony employers are those who have business or market ability in setting wages or remuneration and engaging employees. Normally, monopsonies arise when there is only one business or firm in a town, or one type of employment. Nevertheless, in modern or contemporary economies, many employers have a standard of market ability (monopsony).
- c. Represent Employees: trades unions can also defend employees from ill-treatment, and help to support health and safety legislation. Trades unions can give representation to employees facing legal action.
- d. Productivity or Efficiency Deals. Trades unions can assist in bargaining productivity deals. This means they assist the business or firm to increase production. This enables the business or firm to pay higher remuneration or wages. Trades unions are useful for applying new workplace practices which advance productivity.
- e. Necessary for Service Sector. Modern or contemporary economies have recognised or noted a fall in trade union power. This is caused by a fall or drop in manufacturing and increase in service sector employment. Service sector employment tend to more likely to be temporary or part time; trade unions are needed to defend employees in these types of employments ^[26].

Minimum Wage

Minimum Wage balances monopsony ^[27] power; higher efficiency through better diet, lower absenteeism and output; and multiplier impact ^[28] in the economy. The relevant legislation is the National Minimum Wage Act 2019 ^[29] Section 1(1) of the National Minimum Wage Act 2019 ^[30] provides that: "... As from the commencement of this Act, it shall be the duty of every employer (except as provided for under the Act to pay wage not less than N27,000.00 monthly (as minimum wage) to every worker in his establishment". The minimum wage in Nigeria today is N27, 000, A national minimum wage of N27,000 each month for all establishments in the public and private

²⁵ S Fajana, Industrial Relations in Nigeria: Theory and Features (2ed, Labofin & Co Lagos 2000.)

²⁶ "Advantages and Disadvantages of Trades Unions" <http://econ.economicshelp.org/2007/04/advantages-and-disadvantages-of-trades.html> accessed 19th April 2017

²⁷ A term used to describe a market where a very large buyer typically dominates the price action. In a monopsony, the large buyer is typically able to force prices to decline and this type of market contrasts with a monopoly where a large seller is able to drive up prices. See Business Dictionary for the meaning, <http://www.businessdictionary.com/definition/monopsony.html> accessed 19 April 2017

²⁸ ILO, Trade, Labour Law, and Development, http://www.ilo.org/wcmsp5/groups/public/@asia/@ro-bangkok/@ilo-jakarta/documents/presentation/wcms_203908.pdf accessed 14 April, 2017

²⁹ National Minimum Wage Act 2019

³⁰ National Minimum Wage Act 2019

sectors employing 50 workers and above has been set. However, the minimum wage has been negotiated between employers, workers and government representatives to N30, 000. Though the wage is small as a result of the current inflation in Nigeria, it should be noted that in the absence of minimum wage, some workers are likely to be subjected to a terrible low wage. With this low wage, they are like disabled to act like human beings. This is so because under that condition their ability to discharge their responsibilities to society and even to themselves would be seriously jeopardized. It is not out of place if workers have and do exercise their right to demand that labour be treated with dignity ^[31] The Minimum Wage Act could have been a major instrument in reducing segmentation in the labour market. It, however, does not seem to have had significant success in this respect ^[32].

Pay as You Earn (PAYE) Tax

PAYE ^[33]. Tax which is collected by employers from employees' income for government are applied towards economic growth in Nigeria. The relevant legislation, which is the Personal Income Tax (PIT) Act (as amended) ^[34], provides the conditions or situations for considering income or revenue taxable in Nigeria. It provides, among others, that the gain or profit from an employment shall be considered to be derived from Nigeria if the obligations or duties of the employment are totally or partly carried out or done in Nigeria or the employer is in Nigeria, except the duties or obligations of the employment are totally performed, and the remuneration paid, in a nation other than Nigeria except in a temporary visit or leave in Nigeria ^[35] It is the obligation of the employer to subtract or deduct and remit it to the tax office or authority where the employee resides ^[36].

Under Section 3 (1) (b) of the (PIT) Act (as amended) any wage, salary, allowances fees, or other profits or gains or from an employment including bonuses, compensations, premiums, benefits or other basics permitted, granted or given by anybody to any temporary or permanent employee other than so much of any sums as or expenses incurred by him in the performance of his responsibilities, and from which it is not projected that the worker should make gain are chargeable to tax ^[37]. However, the following are

³¹ Chuke E. Nwude, "The Politics of Minimum Wage in Nigeria: The Unresolved Issues" (2013) Asian Journal of Empirical Research 3(4) 477-492, at 480

³² Trilok Singh Papola, Role of labour regulation and reforms in India: Country case study on labour market segmentation, (International Labour Organization Geneva, Switzerland 2013) 10-16 http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_232497.pdf accessed 14th April 2017

³³ PAYE is an acronym for "Pay as You Earn". It is a method of collecting personal income tax from employees' salaries and wages through deduction at source by an employer as provided by the relevant sections of the Personal Income Tax Act (PITA). (S.81 of Personal Income Tax Act Cap P8 LFN 2011)

³⁴ Personal Income Tax Act, Cap P8 Laws of the Federation of Nigeria 2004 (as amended by the Personal Income Tax Amendment Act 2011)

³⁵ Klynveld Peat Marwick Goerdeler (KPMG), "Nigeria: Thinking beyond borders" <https://home.kpmg.com/x/x/en/home/insights/2014/04/nigeria-thinking-beyond-borders.html> accessed 19th April 2017

³⁶ Vanguard Newspapers, "Pay As You Earn (PAYE) and Personal Income Tax (PIT) Explained"

<http://www.vanguardngr.com/2015/02/pay-earn-paye-personal-income-tax-pit-explained/> accessed 19th April 2017

³⁷ Klynveld Peat Marwick Goerdeler (n30)

exempted from tax ^[38].

- a. National Housing Fund Contribution;
- b. National Health Insurance Scheme;
- c. Life Assurance Premium;
- d. National Pension Scheme
- e. Gratuities

Here are some major uses of tax as highlighted by Anyafo ^[39].

- a. delivery of services such as education defense, health services etc.,
- b. To re allocate income and wealth t so that the rich pay more tax than the poor.
- c. To discourage the consumption or use of harmful products such as alcohol and cigarettes.
- d. To harmonize diverse trade or economic goals of different nations in order to provide for free movement of products or goods and service's capital and people between member states.
- e. For the administration of the economy, the planning savings and investment.
- f. Can be used to achieve specific goals of a nation. In Nigeria government often time introduce tax incentives and instrument to attract and retain local and foreign investors.

Conclusion

The article focused on some industrial laws to examine the contribution of industrial laws to economic development of Nigeria. The ILO Declaration adopted in June 1998, highlights a set of core labour principles endorsed internationally. The Declaration covers four main areas for the establishment of a social "floor" in the world of work. These labour rights herein are those that the ILO named the fundamental labour rights. These fundamental labour rights may be seen as a mechanism and instruments for enhancing productive efficiency. Their economic function is helping to establish the legal and institutional framework for human resource development to enhance equity and justice in the work process as well as measure of certainty and predictability. Fundamental labour rights help to avoid the over use as well as underutilization of workers' capacity and the exploitation of weak individuals and groups in the labour market. The Labour Act 2004 ^[40]. Is a relevant statute. It regulates many aspects of the employment relationship ranging from likely terms of the employment to termination. Hiring and firing regulations like the Labour Act constitutes a protection for workers, in order to increase security and stability in their employment and incomes and also to prevent abuse, especially of non-causal dismissal.

All laws which guarantee freedom of association and collective bargaining in Nigeria. Are important ^[41] Freedom of association and collective bargaining laws are made in order to strengthen bargaining power of workers in the competitive part of the labour relation. Pay as You Earn

(PAYE) ^[42] tax which is collected by employers from employees' income for government are used towards economic developments in Nigeria. The enabling legislation, which is the Personal Income Tax (PIT) Act (as amended) ^[43], provides the conditions for deeming income taxable in Nigeria. Minimum wage offsets monopsony ^[44] power; higher productivity through better nutrition, lower absenteeism and turnover; and multiplier effects ^[45] in the economy. The relevant legislation is the National Minimum Wage Act 2019 ^[46] It has been observed that these laws also contribute to harmony in the work place which is important for stability in the country. It is recommended that government should ensure effective enforcement of employment and labour laws to ensure continuous economic growth in the country.

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⁴² PAYE is an acronym for "Pay as You Earn". It is a method of collecting personal income tax from employees' salaries and wages through deduction at source by an employer as provided by the relevant sections of the Personal Income Tax Act (PITA). (S.81 of Personal Income Tax Act Cap P8 LFN 2011)

⁴³ Personal Income Tax Act, Cap P8 Laws of the Federation of Nigeria 2004 (as amended by the Personal Income Tax Amendment Act 2011)

⁴⁴ A term used to describe a market where a very large buyer typically dominates the price action. In a monopsony, the large buyer is typically able to force prices to decline and this type of market contrasts with a monopoly where a large seller is able to drive up prices. See Business Dictionary for the meaning, <http://www.businessdictionary.com/definition/monopsony.html> accessed 19th April 2017

⁴⁵ ILO, Trade, 'Labour Law, and Development', http://www.ilo.org/wcmsp5/groups/public/@asia/@ro-bangkok/@ilo-jakarta/document/s/presentation/wc_ms_203908.pdf accessed 14th April, 2017

⁴⁶ National Minimum Wage Act 2004, Cap. N61 Laws of the Federation of Nigeria, 2004

³⁸ Sixth Schedule of the Personal Income Tax Act Act (as amended by the PITA Act 2011)

³⁹ A M O Anyafo, Public Finance in Developing Economy: The Nigeria Case (B&F Publication Enugu 1996).

⁴⁰ Nigerian: Labour Act; cap L1, Laws of the Federation of Nigeria (LFN), 2004.

⁴¹ See Section 40 of the Constitution (as amended), section 9 (6) of the Labour Act, Sections 1 and 24 (1) of the Trade Union Act, Article 10(1) and (2) of the African Charter (Ratification and Enforcement) Act, Sections 3, 4 and 5 of the Trade Dispute Act.

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