The Politics of Minimum Wage Implementation in Nigeria

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Abstract
Any government that could not improve the socio-economic status of her citizenry is deemed to have failed and in so doing negated the purpose for which the state is established. Government decision on minimum wages is a step towards the attainment of an improved condition of living for the people, especially, monthly wage earners. The history of minimum wage in Nigeria started when one of the political parties during colonial era demanded for five shilling a month for workers. Ever since, the issue has always generated debates on its cost benefit analysis. Without mincing words, a responsible salaries is sine qua non to an increased productivity and a decent livelihood, though with some challenges which in all ramifications could negate the importance of a well packaged take-home pay. Thence, it is an issue that has both positive and negative implications. In view of the above, the paper opined as a way of recommendation that certain modalities should be put in place so as to make sure the efforts at any time does not become an exercise in futility. The paper made use of secondary data for its analysis.

Keywords: *minimum wage, politics, workers, wages/salaries commission, welfare*

Introduction

One fundamental reason for the establishment of a state is the need to satisfy and improve the socio-economic wellbeing of the people. This duty of government was well captured by section 14 subsection 2(b) of the 1999 constitution of the Federal Republic of Nigeria which stated inter alia "the security and welfare of the people shall be the primary purpose of government". The Nigeria Labour Congress, Trade Union Congress and other workers Association are established to protect and promote workers welfare. Just like their counterparts in other parts of the world, workers Unions are also saddled with the responsibility of negotiating for increased salary and other associated benefits which are necessary so as to ensure that workers are not subject to unfavourable working conditions. In this regard however, "there has been a recurring battle between the various levels of Nigerian governments on the one hand, and between these governments and organized labour on the other, over the determination of public sector wages" (Aiyede, 2002: 11). So, the famous 45 days general strike for a Cost of Living Allowance (COLA) set the stage for showdown with government on the issue of a reasonable salary for public servants in Nigeria. It has always been a long running battle between government team and that of the workers union anytime there is an agitation for salary increase (Ochei, 2012). Similarly, the implementation of agreements on wages reached through the machinery of nationwide negotiations in the public sector, is usually attended by controversy, agitations, and widespread strikes with its attendant loss of enormous resources (it could be revenue, stoppage of production, services and the like).one can rightly conclude that the bloated nature of the public service is responsible for the huge expenditure on salaries by the government. This public expenditures become unsustainable during the economic crisis that began in Nigeria in the 1980s (Aiyede, 2002: 11).

The present minimum wage of eighteen thousand naira (18,000) came about as a result of the 2010, clamour for the review of the minimum wage by the Nigeria Labour Congress and after it suspended its nationwide strike which started on May 3, 2010 because of the plea by the (then) acting president Goodluck Jonathan. Subsequently, a new National Minimum Wage Act was signed into law in 2011. The NLC went on strike again in 2011 because some state governments and private sector refused to pay the minimum wage approval and backed by the National Minimum Wage Act of 2011. These constant calls for upward review of National Minimum Wage Act even when employers are not complying with the existing ones showed that the Minimum Wage Act had always failed to address the problem it was designed to solve (Okafor and Aniche, 2015: 111).

After the first attempt at states' creation in 1967, the number of states was increased from 12 to 19 states in 1976, to 21 states in 1987, to 30 states in 1991, and now 36 states after the last exercise was carried out in 1996. These are exercises done largely by military fiats issued by the federal governments, rather than by referendum as it is usually the case in most federations. It involved the deflation of the country into smaller units or territorial fragmentation thereby shrinking the size of each state. This according to Aiyede (2002: 20) involved a multiplication of administrative structures and an expansion of the public sector and as such states created in Nigeria were left financially weak as they lack viable sources of revenue of their own. This conclusion is corroborated by the Central Bank of Nigeria, who says only a few states and local governments can provide up to 30% of their planned expenditures from their internally generated revenue efforts (Aiyede, 2002: 20). This has changed some few years ago as states have been forced to increase their internally generated revenue base because of continued drop in the federally generated revenue resulting from the fall in the prices of petroleum products. It was observed that from 1990-1994, over 70 percent of the current revenues of the state governments came from federal allocation to the states, while their internally generated revenues accounted for only 17.8 percent. Thence, the balance was derived from special discretionary grants from the federal government (ibid).

The overbearing influence/ power of the federal government enables it to impose uniform national rates for income tax since the 1970s. This is coupled with that that it controls the bulk of revenue accrued from the value added tax (VAT) since 1994. There was in existence a centralized resource controls, which enables it to reduce states to mere channels for the distribution of revenue from their areas, and distribute inequitably, to the constituent communities without improving their independent revenue generation potentials and administrative effectiveness. In summary, the resources of the states decreased through reduction of their powers and they became an appendage of the federal government during military regimes.

For better understanding of this paper, it was deemed appropriate to break the paper into six rubrics. Following the introduction is the review of literature on minimum wage and followed by history of minimum wage in Nigeria. The fourth rubric talks about some of the likely benefits of having a living wage for the Nigerian workers. The fifth and last rubrics dwell on issues and challenges associated with the implementation of the minimum wage and probable issues that are germane for ensuring the attainment of the goals of the living or appropriate wage income for public and private servants in the country. Thus, this study observes that trade unions' insistence on uniform national minimum wage in the country needs critical assessment so as to take into consideration the variation in revenue profile of states which in a real sense impedes implementation of the Minimum Wage by some state governments. Secondary sources of data was used for this modest effort.

Literature Review

Minimum Wage

According to the International Labour Organization (ILO), a Minimum Wage "provides a floor to the wage structure in order to protect workers at the bottom of the wage distribution". The minimum wage dictum has become routinely accepted as a policy instrument in Nigeria and in more than 90 percent of International Labour Organization member-states. It is expected that the minimum wage policy takes a legal perspective and must be enforceable under threat of established penal or constitutional procedures. The Ethical Trade Initiative (ETI) described a living wage as a wage that allows a worker to provide for himself and his family; in terms of the his ability to be able buy essential medicines, send his children to school and to save for the future (Ochei, 2012; Nwude, 2013: 479; (Eme and Ogbochie, 2017 89). From the foregoing, it is expected that a country should have a minimum wage backed by law. When the value of the minimum wage is terribly depreciated by uncontrolled inflation as in the case of Nigerian, agitation for a review of the minimum wage becomes expedient since the monthly take home can no longer take the receiver home. This is justified on the basis that the existing minimum wage was no longer realistic. Thus, a minimum wage should afford the earner and her family the most basic cost of living and can take pride in his/her work and enjoy the decency of a life beyond poverty (Ochei, 2012). In Nigeria, minimum wage, in the words of Nwude (2013, 480) refers "to the minimum monthly salaries payable to workers as provided by the subsisting minimum wage law. It is the emolument which is deemed to be sufficient to satisfy the provision of the essential necessities of life like food, shelter, clothing, education, medication, and recreation of the worker, considering the economic and cultural development of the nation".

A number of criteria are used to fix or determine wages and salaries have been identified in the literature. It includes job evaluation; serves as a valuable measure for fixing wages), government order; it pertains to minimum wage, the ability of the employer to pay, an evaluating of the cost of living, the collective bargaining power/mechanism, the impact of fluctuating labour market forces in terms of demand and supply (Aminu, 2008: 8). This position is explained further by Fapohunda who avers that in the case of Nigeria, modern sector wages and salaries are determined and regulated by administrative decisions of government, Wage Commissions (the Revenue Mobilization and Fiscal Allocation Commission and National Salaries and Wages Commission), and Prices and Income Policies. According to Aminu (2008: 8), in the Nigerian tradition, especially in the rural and informal, and intermediate sector, wages are to a great extent influenced by market forces rather than by wage level in government establishments

In a related vein, the ILO (1970), states that some factors to be taken into consideration in determining the level of minimum wages should include;

- **(a)** The needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups;
- **(b)** Economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment. (Akpansung, 2014: 87).

According to Fapohunda, Atiku and Lawal (2012: 19), the International Labour Organization ILO (2009) observes that the impact and usefulness of a minimum wage policy is dependent on whether minimum wages are paid. This in turn, they say, depends on the workability of the procedure for enforcement in relation to penalties for violators, commensurate compensation for any employee who has been treated in contravention of what the law provides for him. They aver further that "active involvement of social partners in both the design and operation of minimum wage enforcement regimes is essential to enhance its impact". Without gainsaying, minimum wage legislation is a major income policy readily employed in this regard (Fapohunda, Atiku and Lawal, 2012: 19).

History of Minimum Wage in Nigeria

The 1824 amendment to the Factories Act which provided for the creation of wages board in Victoria Australia set the stage for the minimum wage controversy. Though, the wages board did not set a universal minimum wage; it sets the basic wages for six industries that were considered paying low wages. Whereas, it was New Zealand (also in 1824), that enacted the first national minimum wage law unlike the wages board of Victoria Australia which was not enforceable by compulsory arbitration. The strong social appeal as regards the Minimum wage is hinged on the prime belief that it is the responsibility of the government to provide for its citizens a commensurate living wages in terms of the least paid public worker. This notion informed the need to ask for the redefinition of the wage structure politically in order to achieve a socially preferable distribution of income. Indeed, the issue of minimum wage laws have always been highly controversial and it is suffice to say that it has equally been receiving much less support from economists in comparison with the expectation of support the public workers expect it to enjoy from all stakeholders. In a related vein, despite decades of experience and researches, debates about the costs and benefits of minimum wage continued till today (Ochei, 2012 and Fapohunda, Atiku and Lawal, 2012: 19).

According to Eme and Ogbochie (2017: 91), the history of minimum wage in Nigeria is inseparable from the history of public service wages negotiations and increments and dates back to the setting up of Hunts Commission in 1934. Between 1934 and 2008, over 31 commissions and committees had been set up at various times to carry out either holistically or partially review of salaries and wages in the Nigerian public service. The setting up of the committees were in apparent response to the precarious situation of the workers because the current take-home for workers could no longer ensure their survival together with their family members who are unemployed. All these are usually accompanied by intense agitation by the workers (Ochei, 2012).

According to Aiyede (2002), the prolonged military rule ensures greater centralization of power and that the military unilaterally make the structure of wages and salaries uniform across all tiers of government in the 1970s at a time the country was generating the bulk of her revenue from the petroleum sector. He stated further that this was accompanied by centralization of revenue powers and adjustment of the revenue-allocation formula in favour of the centre. Given the attendant effects of currency devaluation and inflation which reduced the salaries of public sector workers to mere pittances, coupled with corruption, brain drain has become the order of the day as many people left the country in pursuit of greener pasture outside the country. The economic and administrative reform measures being applied were in piecemeal and inconsistent, especially under the Babangida and the Abacha years as they tried to sustain power (Aiyede, 2002: 11-12).

Furthermore, the entrenchment of federal principles in the administration by the Macpherson Constitution of 1951, gave the regional governments and their employees power on wage issues at the regional level. This paved way for the establishment of wages review commissions by the regional governments and manifested in different wages amongst the workers in the country. This was also reflected in the budgetary disparities among the various in the country during the colonial period. The regional approach to wage fixing according to Aiyede (2002: 15-16) "became increasingly encumbered by politics as this became a political instrument used by rival political parties to increase their electoral fortunes". The fact of his conclusion was based on National Council of Nigerian Citizens (NCNC's) demand for five shillings as the minimum daily wage. This action was viewed as a ploy to ensure it continues to workers' support. This happened in 1949. As a counter move, the Action Group (AG), who had an eye on the federal elections in 1954, announced the award of five shillings wage to daily paid labourers in the Western Region where it enjoys wider support. While in 1954, the Northern People's Congress (NPC), which is dominant in the north, granted two wages increases to its daily paid labour (September and October) (Aiyede, 2002). While the first decision was a result of the recommendation made by the Provincial Wages Committee, the second has political undertone as the parties strived to proof their concern for the downtrodden (Aiyede, 2002: 16).

Since the Wages Board Act of 1955, Minimum wage matters have always been related to legal limits in terms of minimum monthly take home of any worker in the country. The philosophy behind this was the colonial government's official policy of collective bargaining. From 1955, Successive governments since that time had always taken it as a duty to setting minimum salary packages for occupations/trades that can be considered formal/public. By mid-1960s, the Nigerian Government had set minimum wages on nine different occasions for such occupations as mining (Jos mine field) and commercial agriculture (Benin Rubber Industry), and also for trades in Lagos. Despite colonial government official policy on labour policy and collective bargaining, government dealings as regards labour matters have always been disregarded

The government had at one time or the other set up ad hoc commissions to consider a review of bonuses or wage whenever labour shows dissatisfaction in relation to their monthly remunerations. As a remedy, numerous number of committees have been set up. These are as captured by some scholars.

Nwude, 2013	**Aminu, 2008**	**Akpansung, 2014**
1. Hunts 1934 2. Bridges Commission of Enquiry 1941 3. Tudor Davis Commission 1945 4. Harraign Commission 1946 5. HansburyGorsuch Commission 1954/55 6. News Commission (Elwood Grading Team) 1956 7. Mbanefo Commission 1959 8. Morgan Commission 1963 9. Elwood Commission 1966 10. Adebo Commission 1970/71 11. Udoji Commission 1972 12. Cookey Commission 1981 13. Dotun Philips Panel 1985 14. Fatai Williams Committee 1990	1. Bridges Committee of Inquiry 1941 2. Bridges Committee of Inquiry 1941 3. Harragin Commission 1946 4. Miller Committee 1947 5. Gorsuch Commission 1955 6.Mbanefo Commission 1959/60 7.Morgan Commission 1963/64 8.Adebo Commission 1970/71 9. Udoji Commission 1972/74 10.Damachi Tripartite Committee 1990 11.19-Man Presidential Committee 2000 12.Wages, Salaries and Emolument Relativity Panel 2004/2005	1.The Hunt Commission 1934 2.Bridges Committee of Enquiry 1941 3.The Tudor Davis Commission 1945 4.The Harragin Commission 1946 5.The Miller Commission 1947 6.Phillipson-Adebo Commission 1948 7.The Gorsuch Commission 1954 8.Mbanefo Commission 1959 9.The Morgan Commission 1963 10.Eldwood Commission 1966

15. Ayida Panel Review 1994 16. Phillip Asiodu Committee 1998/99 17. Earnest Shonekan Committee 2000 18. Alfa Belgore Committee 2009/2010		11.The Adebo Commission 1970/1971 12.Udoji Commission 1972 13.The Cookey Commission 1981 14.Dotun Phillips Commission 1985 15.The Allison Ayida Review Panel 1994 16.Philip Asiodu Committee 1998/1999 17.Ernest Shonekan Committee 2000 18.Justice Alfa Belgore Committee 2009/2010

Fapohunda, Atiku and Lawal
Minimum Wage Acts and Decrees in Nigeria Wage Board and Industrial Council Act 19774 (Cap. 466) (No. 1 of 1973, L.N. 55 of 1974) National Minimum Wage Act 1981 (No. 6 of 1981) National Minimum Wage Decree No. 43 1988 National Salaries Incomes and Wages Commission Decree 1993 (No. 99 of 1993 National salaries, Incomes and wages commission (Amendment) Decree (No. 17 of 1999) National Minimum wage (Amendment) Act, 2000 (No. 1) National Minimum wage (Amendment) Act, 2003

The Morgan Commission put an end to regionalism in wage determination as it redirected wage competition which hitherto was between the regions to between the public and private sectors. The Adebo Commission set up by the Federal government set up the 1970, was mandated to carry out a comprehensive review of wages and salaries at all levels in all the public services, including statutory public corporations, state-owned or co-assisted schools as a response to agitations by workers for an improved working conditions when the Nigerian civil war ended. The commission considered the areas in which wages, salaries, and conditions of employment in the public service could harmonized with those of the private sector. The Commission accepted the position of the Morgan Commission as regards collective bargaining, because it believed in the efficacy of collective bargaining as the appropriate means of determining wages and conditions of work. This position brought about a review of the Whitley Council system, which recognized skilled and unskilled workers dichotomy in wages negotiation. The conclusion for the use of collective bargaining for both the public and private sectors of the economy was borne out of the fact that it can keep wages in proper ‘national balance’ as regards comparison between sectors, and in relation to available real resources... [and] assure, simultaneously, distributive equity, economic growth, full employment and monetary stability (Sokunbi, 1992: 127) (cited in Aiyede, 2002).

In 1973, the Federal Military Government through the Wages Board and Industrial Councils Decree No. 1 which repealed the Wages Ordinance of 1957 provided the legal basis for the establishment of the Industrial Wages Board and the National Wages Board. These bodies were responsible respectively for private and public sectors salaries and wages issues. The decree amongst others permitted the federal commissioner (now minister) to set up Area Minimum Wages Committees for the states after consultation with the state governments concerned. Equivalent of these committees can also be set up for local government workers after due consultation with the commissioner by the State governors. Statutorily, these institutions were required to make recommendations to the minister on wages and conditions of employment, the minister is at liberty, by order, fix wages and conditions of employment, which could become "statutory minimum wages" or "statutory minimum conditions" (Aiyede, 2002: 17-18).

The Udoji Commission of 1974 recommended a unified civil service structure, called for a revival of the bipartite machineries for negotiation in the public sector through the creation of Public Service Negotiating Councils and also recommended the establishment of a technical and data-gathering Public Service Review Research Unit (Aiyede, 2002). This, it states will help to facilitate the work of the bipartite bodies. In line with structure of the civil service, the National Public Service Negotiating Council I was also created to deal with problems of the senior administrative and professional classes. Council II was to handle intermediate grades and junior non-technical grades, clerical, executive secretary and typists' cadres, while Council III dealt with technical cadres, medical and health personnel, nurses and midwives, customs, and immigration. The prevailing political and administrative structure of the country, prompted the creation of the States' Public Service Negotiating Councils I, II, III to address similar issues for the corresponding classes of public employees in the (then) nineteen states (Aiyede, 2002: 17-18). Notwithstanding the existence of the Councils at the state level, the Udoji eventually went ahead to recommend a uniform increase in wages and salaries of public employees for all the levels of government in the country. This later resulted in mounting protests, disputes, and strikes on the part of private sector employees who deemed it necessary to call for similar increments and caused government to advise private sector employers to implement the awards. The Williams Public Service Review Panel was set up thereafter to advise the (then) Federal Military Government on the appropriate was of addressing the complaints which arose from Government White Paper based on Udoji's Report. The panel also lent its weight behind a unified salary structure not only for the federal service but also for the entire public sector in the country. Thus, the apparent contradiction between the decentralized collective bargaining machineries and the centralized wage structure was resolved in favour of complete centralization (Aiyede, 2002: 17-18).

There was a redefinition of minimum wage in 1991 to embrace total emolument and to discontinue universal applicability of minimum wage to all public sector departments in Nigeria. Thus, the financial capability of each level of government level was considered as a yardstick to determine what they should pay to their workers. In 1999, the federal government felt there was a need to increase public service workers salary by 45 percent so as to ostensibly cushion the inflationary effects of the rapidly depreciating naira against the major international currencies following the deregulation of the foreign exchange market on March 5, 1992 (Aminu, 2008: 10). Prior to this, as a sign of concern to workers' welfare, the Federal Government in September 1998, issued a directive to increase the prevailing minimum wage and other benefits for public employees. This resulted in substantial increases in salaries/wages to all categories of employees at the federal, state and local government levels. Following an agitation for an increase in wage by the Nigeria Labour Congress in the year 2000, the Federal

Government again increased the minimum monthly wage from ₦3000 to ₦5500 in May. The increases in public sector pay were based on the report of a 19-man presidential committee set up to advice on the wage problem (Aminu, 2008: 10). The legal backing for the increases was the Wage (Minimum) Act of 2000.

In the 2000 Wage Review Agreement, 25% wage increase with effect from May 1, 2001 and 15% wage increase with effect from May 1, 2002 was proposed. The non-implementation of these envisaged reviews led to an industrial dispute and a 121/2 percent salary increase as against the 35% negotiated was signed in 2003 (Ochei, 2012). Though the Shonekan Committee recommended a 25 per cent increase in salaries, President Obasanjo unilaterally implemented a 15 percent increase in 2007 (Okafor and Aniche, 2015: 111). Government also failed to abide by the time frames set up for subsequent negotiations with workers. Some of people are of the view that NLC's call for salaries reviews were largely unstructured. It needs to be stated also that government sometimes unilaterally effected wage increase. This state of affairs informed the frequency in call for strike actions by the NLC in order to get government attention to its members cause and to agree for a review of workers' salaries. The NLC, in 2009, succinctly came up with some reasons to justify its request for a review of workers salary. The current minimum wage of N18, 000 per month in 2011 was arrived at after Justice Salihu Modibbo Alfa Belgore Committee had made its submission to the National Assembly on 1st July, 2010 and after passing through the required legislative processes. The Modibbo Alfa Belgore Committee made the following recommendations:

1. A national minimum wage of N18,000 per month for all establishments in the public and private sectors employing 50 workers and above.

2. An upward review of the sanctions that would serve as a deterrent for not paying the new national minimum wage as follows: a fine not exceeding N100, 000 or imprisonment for a term not exceeding six months or both, and in the case of continuing the offence, a fine of N10, 000 for each day during which the offence continues.

3. A more frequent review period not exceeding 5 years to be carried out by a statutory tripartite committee that would be appointed from time to time by the President of Nigeria (Eme and Ogbochie, 2017: 90).

It is important to understand how the current agitation for a new national minimum wage came about. During the 2016 May Day celebration, the NLC President called a press conference to inform the press-corps on the need for a review of the national minimum wage, the last being the 2011 minimum wage act. He therefore urged the government to set up a tripartite committee to the review the minimum wage, with their proposal in mind and that the representatives of the unions and the government could only fashion out the negotiation process at a roundtable (Eme and Ogbochie, 2017: 97). These demands came up at a time most of the states could not pay workers' salaries as when due and when the 36 state governors had just visited President Muhammadu Buhari in Abuja asking for another lifeline bailout, the second within ten months. Barely two months after the bailout was given, the governors, through their Chairman, Alhaji Abdulaziz Yari of Zamfara State, stated that the states could no longer pay the N18, 000 minimum wage because 24 out of the 36 states were unable pay workers' salaries (ibid). The Federal Government and the Nigeria Labour Congress in their attempts to reach a common ground and as a prelude to maintaining industrial peace decided to set up a 15-man committee to work out palliative measures with the intent of fashioning out a new minimum wage in the public sector. The new minimum wage is expected to help in cushioning the effects of the increase in the pump price of petrol products (Eme and Ogbochie, 2017: 97).

The weakness of these federal structures became manifested in the early 1980s when the country experienced severe balance of payments, and as a consequence many states were unable to pay their workers' salaries running to a period of more than six months. This precarious experience informed the calls for the decentralization of the wages determination process with a view to take into cognizance the financial capability of the various levels of government to abide by the minimum wages law. Whereas the state governments, thought otherwise because of perceived difficulty in paying workers' salaries due to temporary economic crisis, and the oil shock of the early 1980s. Their stance avoided the decentralization option, which would have pitted them against labour unions. Hoping that the oil market would improve, the governments resorted to domestic and external borrowing salaries. Since efforts to revamp the economy yielded little gains and public debts continued to rise, the federal governments under the General Buhari military government opted for down-sizing the federal civil service by dismissing those culpable of indiscipline (Aiyede, 2002: 23).

The first play of this problem came barely a year into the fourth republic when President Obasanjo announced a new wage structure for the country during his address to workers on May Day celebration in the year 2000. The state government workers wanted wage parity with federal workers justifying it on the basis of workers patronizing the same market in the same economy. The oil producing states, by virtue of their buoyancy resulting from the implementation of the 13 percent derivation provided for in the 1999 constitution equally adopted the new pay structure for federal employees for its employees. The non-oil producing states insisted on their inability to pay the new wages because not less than 70 percent of their total revenue would be spent on wage bills alone. Their convincing argument was that the revenue sharing formula was inequitable and equally served as an impediment. The then governor of Lagos state, Senator Bola Tinubu, "maintained that its wage problem was the result of the skewed nature of Nigeria's fiscal federalism which enables the federal government to appropriate most of the revenue and distributing only a paltry sum among the various states and local governments" (ibid: 25).

On the bargaining process, the state governments opined that a uniform salary structure for all tiers of government in the country is unrealizable considering their limited revenue capabilities and huge statutory responsibilities of the various levels. Their conclusion was that this questioned the legality of the federal government's action of reaching an agreement with the unions on the possible wage structure for public sector workers without consulting with the state governments, and that the processes of negotiations as well as the agreements were against the spirit of federalism (Aiyede, 2002: 25).

Benefits of Enhanced Minimum Wage

Although, every attempt at salary review has both negative and positive effects on the overall economy, policy makers, especially the politicians have continued to use minimum wage issues for political gains rather than for socio-economic reasons (Fapohunda, Atiku, and Lawal, 2012: 19). ILO (1988), as observed by Fapohunda, Atiku, and Lawal (2012: 19) noted that minimum wage fixing is often associated with one or more of the following four purposes. First, to bring the lowest wages up to the general level of wages paid for similar work; two, to exert upward pressure to the general level of wages as a whole; three, aimed at eliminating unfair competition while the fourth is that it is meant to serve as a policy tool for promoting rapid growth and equitable distribution of the national income.

These are some of the likely benefits of an enhanced Minimum Wage:

1. **1.** Creation of Employment: the increase in national minimum wage will create more employment in the sense that a worker whose earnings have increased may decide to give up menial jobs, laundry and basic errands. Also, those who engaged in extra-official jobs to make ends meet may also give them up. This will obviously create vacancies in those positions.
2. It can lead to creation of wealth since an increase in wages is expected create more wealth for those who make use of their resources judiciously. The inference from this is that the extra revenues can be invested in other money making ventures. This, it is also believed may mean achieving better education for their wards, because there is money for a worker to fund their wards education. One factor seeing to be responsible for rising trend in poverty in Nigeria, is the low minimum income wage paid to the least educated Nigerians. To this end, the clamor for increased minimum wage for workers in the country can be situated within the context of improving workers' welfare (Adedoyin and Han, 2017)**.**
3. Job satisfaction: there is no doubt that job satisfaction can result from increased monetary compensation. This can make employee value their jobs more because more of their basic needs are met from their efforts at work.
4. Improvement in basic living conditions of the workers: basic living conditions of the average worker can also be improved from an increased minimum wage. This can come in the form of home amenities, improved health care, food security and even the addition of aesthetic value to the immediate environment.
5. Improved productivity in the public and private sectors is expected to result when there is job satisfaction and improvement in basic living condition. An employee who is well motivated would like to improve his or her productivity. The President General of TUC, Comrade Peter Esele equally made this clear when he maintained that the new wage bill is binding on all employers of labour – federal, states or private sector employers to pay.
6. Brain Drain Check: according to Ochei (2012), one of the objectives of increased minimum wage is to benchmark intentional standards. This, he opines, will help check brain drain; this has to do with the loss of professionals and other highly skilled worker of a country to country that pay mouthwatering salaries.
7. Minimum wage could help to minimize the exploitation of the weak, the ill-informed and the isolated group of individuals. This measure would also provide such people a more comprehensive protection through the existing voluntary bargaining machinery. More so, the fixing of minimum wage provides workers a reasonable income to meet their basic needs and raise their standards of living and encourages the efficient use of human resources for an increased productivity (Fapohunda, Atiku, and Lawal, 2012: 19).

Issues and Challenges to Minimum Wages Implementation in Nigeria

According to Ochei, (2012) issues and challenges pertinent to effective minimum wage process in Nigeria are; insufficient revenue, incessant call for wage review by civil servants and their inability to justify such demands. It includes limited sources, corresponding wage and commodity increases in the private sector, etc.

1. Insufficient Revenue: the inability of the States to pay the minimum wage was hinge on the fact that the Federal government received a larger share from the federation account while states were left with insufficient revenue to pay salary if the state is to provide other basic social needs. The current revenue sharing formula gave the Federal Government a lion share of 42.6 percent while the 36 states, the Federal Capital Territory (FCT) and the 774 local governments share the remaining 47.4 percent (Ochei, 2012). This scenario made it impossible for the states to finance their statutory functions and provide services allotted to them as their only grace is reliance on grants and subsidies from the federal government

(Aiyede, 2002: 20). The extent to which states comply with the minimum wage differs from one to the other because of variation in their financial profile. To a very large extent, the financial strength (of individual states), has been recognized since 1991 as a critical factor in public sector employers' compliance (Fapohunda, Atiku, and Lawal, 2012: 19).

2. Incessant and Differential Call for Wage Review: the inflationary shocks associated with salaries increase include sudden rise in the general price of goods and services, and reductions in the number of jobs availability. There is also the problem of different government agencies calling for differential wage packages usually justified under the pretext of the nature of their job. While there may be some justification in this call, it would also prompt other security agencies to make similar calls.
3. Non-Performance: Considering the dwindling revenue fortunes of government, it is expected that the revenue profile of government must be shored up to enable government fulfill its statutory obligations so as to make life meaningful for the people. It then suffices to say that public servants must be proactive to tap and make efficient utilization of the nation's abundant resources for wealth creation and improved revenue generation and reduce over reliance on oil revenue. As Ochei (2012) noted, it is therefore pertinent that they wake up from their slumber and justify present and future calls for national minimum wages increases.
4. Inflation: It is instructive to note that when inflation bites hard on salary earners they would have no other option other than to call for a reasonable minimum monthly pay. It is not surprising to hear that the main argument advanced by the organized labour to demand for rise in pay is usually hinged on the worthlessness of the former minimum wage. Their reason is that inflation erodes their purchasing power hence a call for increase salary. Taking a different position on the incessant wage review, the then Acting Chairman of the People's Democratic Party (PDP) Alhaji Kawu Baraje avers that agitation for new minimum wage would be unnecessary if there were well equipped hospitals, drinkable water and good road amongst other facilities in a way that will be accessible in all the parts of the country (Ochei, 2012).
5. Enforcement of the Act: the enforcement process becomes necessary so as to make the whole exercise about the new national minimum wage act achieve the desired objectives. As it has been noted in the conception of minimum wage, legislative backing of the minimum wage act is very important likewise its implementation. Since it is obvious that non implementation is tantamount to effort in vain, the implementation of the minimum wage act should include effective enforcement mechanism, appropriate penalty for offenders and compensation to workers whose rights have been violated (Ochei, 2012; Fapohunda, Atiku, and Lawal, 2012: 19). Above all, there is the need for government and other employers of labour to be sensitive to the welfare of their workers since their happiness is required in the realization of organizational intended goals.
6. Labour Market Situation may affect minimum wage positively or negatively. As noted by Ojo (1998) that in a relatively competitive labour market, the interplay of supply and demand is the most important determinant of compensation (Fapohunda, Atiku, and Lawal, 2012: 29). Given the likely imperfections which may likely occur in the market as a result of institutional, administrative, political and socio-cultural factors, the role of the price mechanism is expected to be minimal especially in a developing country like Nigeria. Nonetheless, the interplay of supply and demand can still exert some influence. In a similar vein, the period of unemployment do not generally favour high pays, as employers have the opportunity to attract high caliber employees without necessarily offering the legally recognized minimum monthly wage which the employers considered excessive. The labour market situation in Nigeria is such that there are too many people chasing too few jobs (Fapohunda, Atiku, and Lawal, 2012: 29).

Conclusion and Recommendations

From the above, it is pertinent on the part of the government to prevent negative factors that will hinder workers efficiency and be proactive in galvanizing efforts towards improving the working conditions of the workforce as a means to enhanced productivity. The quantum of the productive hours lost any time the organized labour goes on strike is too high. One may not be far from the truth to state that a good working environment is an impetus to increased productivity, an antidote to fraudulent malpractices, serves as a check on workers divided attention, and an answer towards attaining organizational goals and aspirations. Going by what is given as a monthly take-home pay, it is evident that it takes a great deal of management for one to survive in Nigeria as a least paid worker. It is therefore recommended that no level of government in the country should underestimate the services of professional managers in the management of the nation's fiscal and monetary policies in order to maintain economic stability as well as improving the infrastructural facilities (Nwude, 2013: 490). In summary, this paper opined that

1. The present revenue sharing formula require upward review in favour of the constituent units so that the state governments could be address obstacles impeding their ability to pay the minimum wage anytime there is a review.
2. The states and local governments should also find ways to harness the abundant human and natural resources that every state of the country is blessed with as a way of increasing their internally generated revenue and ensure their survival without unnecessary reliance on the centre for survival. The over-dependence on oil revenue is inimical to the economic growth of the country. This, calls for harnessing the potentials in non-oil sectors.
3. State Governors, Chairmen of Local authorities should endeavour to cut down basic running costs and put a check on corruption and other unwholesome practices that impact of their finances and generated revenues.
4. The revision of the minimum wage is necessary to benchmark rising cost of living and international trends. Though, consideration should however be given to economic and financial capabilities, this can only be justified if the people are convinced that the revenues accrue to the tiers of government are spent judiciously.
5. Provision of basic social services such as health care, education, housing, transportation and other social infrastructure will help to check or curtail justification incessant clamour for wage increase.
6. It is imperative to check the rate of inflation given its impact on the workers' salary viz-a-viz their wellbeing. The impact of inflation on citizens' wellbeing should not be underplayed hence, government must be ready to make appropriate policies to address inflation related challenges.
7. The issue of legal challenges must be addressed. Without adequate legal backing achieving the goal of minimum wage would not only fail but would equally end up as mere recommendations which is subject to the acceptance or otherwise by the concerned parties (Fapohunda, Atiku, and Lawal, 2012). There law should be simple and easily understood by all stakeholders (i.e. employers, labour unions, employers union and the enforcement institutions) and as well provide procedures for enforcement and appropriate penalty to deter offenders/non-compliance.

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