THE ROLE OF TRADE UNIONISM IN A DEVELOPING ECONOMY

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ABSTRACT

This paper takes a colossal look at the function and performance of trade unionism in a developing nation with a special emphasis on West Africa as a whole and Nigeria in particular. It began with a broad definition of trade union in an ordinary sense and from a legal perspective.

This was followed by a general review of the history of trade unionism in Nigeria and West Africa from 1912 to 1938, 1938 to 1976 and 1976 to date. Some of the notable unions during the period of 1912 to 1938 were the Railway Workers’ Union led by Pa M.A.O. Imoudu, the Nigerian Union of Teachers and the Nigerian Marine African Workers’ Union. The unionism from 1976 to date on the other hand witnessed vibrant, radical and purposeful leaders like Hassan Sunmonu, David Ogeli, Ali Chiroma, Pascal Bafyau and Adams Oshiomhole.

The paper then revealed that the functions and objectives of trade unions can be classified under economics, political, educational and social activities. It was further revealed that workers normally join unions because union is better placed and stronger than the individual worker with financially and otherwise, in promoting and defending the terms and conditions of employment. The paper concluded by emphasizing that the trade unions have a vital role to play not only in the management of industrial relations but also in the progress of the community.
1.0 INTRODUCTION

The trade union movement is a vital part of our system of industrial relations.

As observed by Omole (1984), it could be advanced here that the industrial revolution gave the individual more control over his or her destiny. Although, individuals were in a considerable weaker position relative to the employer, they were able to contract for employment, offering their skills and services for a wage. However, it is important to add that once people had been hired, they and their work output become the property of the employer.

Yesufu (1981) opined here that in the absence of viable alternatives, workers began to resort to force as a means of gaining some influence over the terms and conditions of their employment. As time passed, society becomes more aware of the plight of the worker. The labour movement started and take-off. In a global sense, the relationship that existed between the union and management were unilateral. Workers asking for redress or improved working conditions approached their employers with a “take it or we strike” attitude and employers, too, usually refused or ignored their requests. Rather than bargaining, what resulted was a trial of economic strength to determine whose wage decisions would prevail.

Today, it is a new ball-game entirely. Union and management sit
side by side to negotiate and determine the working conditions and the economic destiny of their members and their workers respectively. Illustrating unions – management modern relationship, Ajayi (1984) once said:

"Every single area of union activity is inevitably a management area, whether it be working hours, working conditions, job definitions, job assignments, hiring and firing policies, supervisory authority or seniority provisions. Even if a union were to abandon all these areas and confine itself entirely to the problem of cash income, it would have to set against profitability and productivity needs of the workers for a predictable employment".

It is of a strong belief that if both the Unions and Management operate faithfully, negotiate in good faith but upholding organizational productivity and worker's welfare, most strikes consequently resulting into millions of Naira economic waste could have been averted. This paper therefore attempts to critically examine the role of trade unionism in a developing economy with a special emphasis on Nigeria.
2.0 DEFINITION OF TRADE UNION

The International Confederation of Free Trade Unions defined a trade union as:

"A continuing and permanent democratic organization voluntarily created by the workers to protect themselves at their work, to improve the conditions of their work through collective bargaining procedures, to seek to better the conditions of their lives, to secure their natural rights and to provide an effective means of expression for the workers' views on problems of society and politics".

The trade union is legally defined as "any combination of workers or employees, whether temporary or permanent, the purpose of which is to regulate the terms and conditions of employment of workers". According to Akinade (1984), this legal definition of a trade union tends, for purposes of analysis, to be too restrictive and somewhat misleading. In the first place, while an important element in industrial relations is to attempt an equalization of strength between workers and employers in matters of collective bargaining, to term an association of employees a trade union tends to beg the question. He argued further that it is merely a legal technicality which has not been accepted in common usage or social and economic analysis. Secondly, the phrase, "the terms and conditions of employment" must be viewed very widely
if the role and character of trade unions are to be properly understood. The reason being that today, trade unions are concerned with much more than remuneration and the hours of work. The trade unions of today are concerned with the whole lifestyle as well as the standard of living of their members. According to him, what they cannot get from the employer e.g. social security schemes – they attempt to get from the state.

Thirdly, to assign the role of "regulating" terms and conditions of employment to trade unions might well suggest that they have power unilaterally to decide on or change such conditions. What the unions do, here is to try and ensure that the agreed terms between them and their employer(s) are not eroded – it defends them by constant monitoring through its members and officials, and, if necessary, through industrial action such as strike.

Akinade (1984) opined further that fourthly, any concept of trade union, as the legal definition permits and as a temporary body, may be welcome in order to protect worker who find it necessary, for example, to take spontaneous collective action against an employer from the common law penalties of such things as tort.

However, in the context of the wide and ramifying objectives of the strategies essential to attain such objectives, permanence, in the form of continuity, is of primary importance. The element of permanence was foremost in Sydney and Beatrice (1970)'s definition of a trade union, as a
"continuous association of wage-earners for the purpose of maintaining or improving the lives". Yesufu (1981) was similarly emphatic that "the essential feature of a trade union is that it is a continuous association of a life-long class of employees.

Accordingly, in terms of its objectives and functions, a trade union may be defined as

"an association of employees for the promotion and defence of the terms and conditions of employment of their members including their standard of living".

Wages and conditions of work are paramount, but again as Caroll (1999) put it, "to discharge our obligations to our members in the matter of wage rates and employment conditions, one needs to undertake responsibilities and commitments which are becoming more closely interwoven with social, political and economic affairs generally".

3.0 HISTORY OF TRADE UNIONISM IN NIGERIA/AFRICA

The history of trade unionism in Africa with a special emphasis on Nigeria will be viewed under three headings. These are 1912 to 1938, 1938 to 1976 and 1976 to date.

3.1 THE EARLY TRADE UNIONS, 1912 - 1938

According to Yesufu (1981), the first firm evidence of the rise of modern trade unionism is provided by the formation of the Nigerian
Civil Service Union on Monday, 19th August, 1912. This inaugural meeting, which was attended by thirty-three persons, was tagged “in pursuance of a letter signed by Mr. Henry Liberty”, who had apparently been transferred from Sierra Leone, in order to consider the ways and means of inaugurating a league of Civil Service Officials. It must however be stressed that the union was thus not formed by a group of disaffected workers who wanted a platform from which to fight for amelioration of grievances or for the improvement of specific conditions of employment. It was not until the fifth meeting held on 15th November, 1912, that it was decided that the aim of the Union would be, “to promote the welfare and interests of Native members of the civil service”. However, from its inauguration in 1912 until 1920, it would appear that the most important matter about staff conditions of service upon which the union was stirred to action was that of “leave rights” because it agitated for better leave facilities for the African staff by petitions to the Governor and the Secretary of state for the colonies.

With the outbreak of the first World War in 1914, there followed a rise in the cost of living and from 1916 to 1919, the Union successfully agitated for “war bonus” of 30 percent of basic salaries to African civil servants. Other grievances which the Union discussed from time to time were discrimination in salary scales in favour of Europeans against Africans performing the same jobs, the frequent imposition of fines as a measure of discipline and the likes.
There is hardly any record of the union’s activities during the 1920’s. Further trade union development of importance took place in 1931 when the Railway Workers’ Union and the Nigerian Union of Teachers were formed. The immediate reason for the formation of the Nigeria Union of Teachers stemmed too from dissatisfaction with existing service conditions, which were held to have deteriorated as compared with the early years of the century.

In contrast, the Railway Workers’ Union was a militant organization from its inception and one of its foremost leaders, Mr. M.A.O. Imoudu was able to organise, between 1931 and 1938, effective agitation for the regrading of certain technicians and craftsmen and against the maltreatment by European supervisors of African Workers. It was the first trade union to have been registered under the Trade Unions Ordinance and this was on 17th January, 1938. In 1936, the unestablished employees of the Marine Department founded the Marine Daily Paid Workers’ Union which in 1937 changed its name to the Nigerian Marine Africans Workers’ Union. There is hardly any record of this union’s activities, at least until the enactment of the Trade Unions Ordinance in 1938.

It is clear, then, that the modern trade unionism in Nigeria preceded the passing of a trade union law in 1938 by over twenty years. Until the enactment of that law, the history of Nigerian trade unionism was predominantly that of the history of the Civil Service Union, the Railway Workers’ Union and the Nigeria Union of Teachers.
3.2 UNIONISM FROM 1938 TO 1976

The passing of the Nigerian Trade Unions Ordinance in 1938, was followed by unprecedented organisational activities on the part of workers throughout the country.

As perceived by Yesufu (1981) and Omole (1984), the first trade union registrations under the Trade Unions Ordinance in 1938 were effected in 1940. Fourteen unions with a membership of 4,629 were registered in that year. In the following two years, 27 and 43 new unions were registered respectively in 1941 and 1942. By 1944, the total number of trade unions on the register had risen to 91 with total membership of 30,000. The upward trend in both the numbers and the membership of the trade unions continued unabated. By March 1950, the number of trade unions had risen ten times to 140. In March 1960, the number of unions had reached 360 with a total membership of 274,126 representing about one-third of the total wage-earning population. In the decade, 1960 – 1970, the number of trade unions again doubled and there were 725 registered trade unions as at March 1970 with a membership of 684,498. By the beginning of 1976, just before the “new labour policy” began to take effect and the number of trade unions stood almost at 1,000 with a membership of 674,600. Table 1 further illustrates the growth of trade unionism in Nigeria during the period of 1940 to 1976.
Table 1: Trade Union Growth, 1940 – 1976

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Registered Unions</th>
<th>Total Membership of Unions</th>
<th>Index of Growth</th>
<th>No. of Unions</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>14</td>
<td>4,629</td>
<td></td>
<td>4.00</td>
<td>1.8</td>
</tr>
<tr>
<td>1950</td>
<td>140</td>
<td>109,998</td>
<td></td>
<td>40.30</td>
<td>42.5</td>
</tr>
<tr>
<td>1960</td>
<td>347</td>
<td>259,072</td>
<td></td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>1970</td>
<td>725</td>
<td>684,498</td>
<td></td>
<td>208.90</td>
<td>264.20</td>
</tr>
<tr>
<td>1976</td>
<td>990</td>
<td>673,030</td>
<td></td>
<td>288.20</td>
<td>260.40</td>
</tr>
</tbody>
</table>

Source: Yesufu (1981)

It must be emphasised that the Second World War sent living costs rising to an unprecedented existent which the rise in wages, granted from time to time, failed to match. Moreover, war propaganda, which placed a premium on labour, made the workers more conscious than ever before of their strategic position and potential power. Workers might have been restive in these conditions and made attempts at collective action. It might be held, therefore, that it was merely a coincidence — a happy one, no doubt — that the Trade Unions Ordinance came into being just in time to provide a legal basis for the inevitable trade union development which was to follow.
3.3 UNIONISM FROM 1976 TO DATE

In the words of Momoh (1995), labour was very active, especially during the Muritala – Obasanjo, Shagari, Buhari – Idiagbon era. During this period, Labour witnessed some refinement. The over 2,000 trade unions were restructured into 42, with the Nigeria Labour Congress as the umbrella of the unions. Vibrant, radical and purposeful leaders, like Hassan Sunmonu, David Ojeli, Ali Chiroma, Pascal Bafyau and Adams Oshiomhole came to the fore. These fearless leaders injected new blood into the system and stopped the era of banging of tables at negotiations. They brought a new dimension to labour politics. The reason being that most of them were educated in the then Western – Eastern models, blended the two ideologies together, thus enriching the cause of collective bargaining.

It must also be stressed here that the labour movement has come a long way during this period. It has witnessed strikes, lock-outs and industrial disputes some of which have been devastating. Despite all the commendable efforts of the labour union, it is still besieged with problems, frequent government interference, lack of education in the rank and file, abject poverty in the land and infightings amongst labour leaders.

In 1995, the 41 industrial unions were streamlined to 19 by the Federal Military government of Nigeria.

During the Babangida administration, labour sold out and got all
kinds of donations from the government. These money was never accounted for by the leaders and one of the attributes of trade unionism is accountability. As put by Momoh (1994), the year 1994 was the worst year for labour because of the seemingly endless strikes, near total collapse of the economy and abject poverty experienced by the working class group. Inflation kept galloping to astronomical heights. Prices of goods and services skyrocketed with meaningless wages and salaries. Unemployment rate also soared in 1994. A good number of them were seen roaming the streets everyday searching for jobs that were not there. Factories and industries witnessed shut downs, retrenchment, lay-offs, redundancy and low capacity utilization as a result of foreign exchange problems to service their machineries, procure equipment and raw materials.

3.3.1. **Policy Of “Guided Democracy”**

Before the relinquishing of power in 1979, the military government among others enunciated the following objectives (Ajayi, 1984):

a. the guarantee of freedom of association;

b. promotion of strong, stable and responsible workers and employers organizations;

c. the establishment and development of a suitable institutional framework for the effective preventing and expeditions settlement of labour disputes;
d. provide foundation for the promotion of labour/management co-operation and consultation at appropriate level between workers, employers and government; and

e. ensure the bigamous enforcement of the provision of labour legislation relating to minimum conditions of employment, social security, safety health and welfare at work.

Policy objectives were also formulated for the vigorous pursuit of the development of strong, virile and self-reliant trade union movement.

4.1 OBJECTIVES AND FUNCTIONS OF TRADE UNIONS

The impact of trade unions in modern society has become pervasive, economically, socially and politically. Within the general context of its objectives as implied in the above sub-heading, a trade union perforce performs a number of specific functions which can be classified as economic, political, educational and social (Yesufu, 1981).

4.1.1. The Economic Function

The trade union is essentially an economic organization and as previously indicated, its major concern is with the terms and conditions of work. Thus, one of its main functions is to oversee the rates of pay of its members, in order to ensure not only that the wages are adequate by
reference to the cost of living and accepted living standard generally, but also that they are fair by comparison with the rates and scales of pay for employees in similar or comparable employments to those of its members. Methods and periodicity of payment are important aspects of the wage problem with which the trade union concerns itself.

Also fundamental to the wages problem is the assurance of the source of the wage itself – namely, job security. Accordingly, as an economy develops, the problem of job security for its members becomes a vital concern of the trade union.

Caroll (1999) contented that the problem of labour redundancy have bedevilled industrial relation in all countries since the industrial revolution. Whether the redundancy is the result of economic recession, internal reorganization within the automation, it has the effect of removing the source of income of the worker, and therefore threatens the very livelihood not only of himself, but of his family also. As viewed by Banks (1994), the function of trade union here is to interact with the employer to prevent retrenchment of labour and if retrenchment becomes inevitable, to minimize its effects – in terms of numbers to be retrenched, compensation for retrenchments and the establishment of the rules and principles which would govern such retrenchment. Yesufu (1981) opined that the principle of “first in last out” tends to be popular with trade unions during such issues of redundancy. That is, those who were hired last by the enterprise should be the first to be retrenched.
Allied to the question of job security is that of income security. As stressed by Yesufu (1981) and Awosode (1998), this implies that the wages of the employee shall not be desecrated unlawfully by the employer. For example, through unnecessary finless, induce delays in payment, etc. It requires also that some income should be guaranteed to the worker during sickness and periods of unemployment and even old age. The attainment of these objectives, as argued by Awosode (1998), has become one of the most difficult functions of modern trade unionism especially in the so-called capitalist societies.

The economic status of the employee is also a legitimate concern of the trade union. Egede (1997) contented that the main issue here is to ensure avenues of a salary rise as well as upgrading for the worker in the salary and income hierarchy. Included also is the issue of increased responsibility and authority within the power structure of the enterprise. This is the promotion problem. It implies not only that there should be avenue of promotion but also that the worker's prospects should be enhanced, for example, if necessary, by restricting new recruitment from outside the enterprise to fill higher positions and providing opportunities for training and experience to existing employees to qualify them for higher responsibilities.

The above aspects of the economic concern of trade unions suggest a stance of constant demands from the employer. The enlightened trade union, however, understands that the capacity of the enterprise to meet
the demands for better pay, improved conditions of work, increased 
employment opportunities, etc, depends in the final analysis upon the 
economic viability of the enterprise itself. According to Ananaba (1989), 
there are many factors which determine such viability but paramount 
among them is the productivity of the work force. The point of 
importance here is that, in the modern industrial setting, a major 
economic function of a trade union is to promote higher levels of 
productivity among its members.

4.1.2. The Social function

A trade union is an association of persons who, for the greater 
parts of their lives, are exposed to similar social experiences. The trade 
union provides a convenient platform for an exchange of these 
experiences and opportunity for mutual assistance and cooperation. As 
stressed by Yesufu (1981), the particular forms of social action by trade 
union depend very largely on the nature of the society at large – its 
value systems, its culture and stage of economic development – as well 
as the degree of sophistication or otherwise of the workers and the 
capacity of the union leadership. In Nigeria, perhaps the most distinctive 
aspect of the social and cultural heritage is the communal or mutual 
support system. This was then referred to as “tribal free-masonry”. If it 
had to be christened today, it might have been labelled “communism”.

In the traditional Nigerian society, life’s experiences were meant to 
be shared. It was not a system of common ownership, either of property
or of the means of production or distribution. Glad tidings were shared and everyone assisted in alleviating the problems of his neighbours. As modern industrial life tends to atomise this communal and extended family system, in the absence of developed state social services, the trade union must try to fill much of the gap. It must assist the bereaved member, participate in wedding and chieftaincy ceremonies, help repatriate the destitute, arrange Christmas dances and other festivities. Ajayi (1994) observed that it does not imply that Nigerian trade unions have performed these functions adequately. It has also been observed somewhere that some of the problems underlying trade union instability and weakness in Nigeria in the past, have been traceable to their defaults in these matters.

4.1.3. The Educational Function

The educational function of the trade union is affected at varying levels. The annual, distinct and local conferences provide opportunity for the rank and file to learn of the state of industrial relations generally as well as the specific problems of wages, the conditions of the national economy and the enterprise, etc., as they affect the workers. Some unions organize general education classes for their members but this has greater impact at the national congress level. Unions also perform the education function through newsletters and bulletins specifically designed to keep the members abreast of the activities of the union, and
of political, social and economic developments within the nation at large, in so far as they are likely to affect the workers.

Komolafe (1988) observed that trade unions also provide advisory and sometimes consultancy services to their members in respect of their rights and claims against the employer. This function can encompass the legal as well as the social and educational function.

4.1.4. The Political Function

There is perhaps no aspect of the role of trade unions that generates so much debate as the political. While trade unionism derives essentially from economic roots, it is equally the case that the dividing line between economics and politics can be very blurred indeed. The very logic which propels the government increasingly to interfere in industrial relations, equally explains the need for the trade unions to take an active interest in politics. Corroborating this view, Yesufu (1981) argued that the principles and policies which underlay labour legislation, the need for the government to intervene in vital aspects of the life and work of the employee, for legislatures and executive arms of government to maintain a close and continuing alertness in what goes on in industry – these are political issues which touch the worker closely. For this reason, trade unions all over the world are highly politically conscious. Iji (1995) contented that in some countries, as in Britain and Australia, the unions have organised effective and viable
political parties. In the United States, the unions organised political pressure groups in the legislature to promote workers' interests; they provide financial support to parliamentary candidates who are favourably disposed towards improving working class conditions and actively campaign against others.

In Nigeria, the working class as a group has never succeeded in forming a viable labour party but the major parties have always been conscious of the immense political potential of workers and have usually tended to woo their officials, adopting some for state/local elections or assurance of juicy political posts in their cabinets. In fact, Odekunle (1997) contended that those who argue that trade unions in Nigeria should not be involved in politics are either selfish political marauders and adventurisms intent upon making the arena exclusive to their tiny class to the detriment of the working class which creates the wealth, or they are commentators or opinion canvasser who lack the least knowledge of the subject of discourse. Iji (1995) buttressed this view when he stated that significantly, any union leader in present-day Nigeria who holds the opinion that trade unions have no business in politics must have lost touch with his membership not to appreciate their economic hopelessness occasioned by the political impasse. He reiterated further that such a leader must have been so compromised as to be unable to detach himself from the elite in business and government who constitute the political ruling class; such a unionist must have had
his vision so blurred that he cannot provide clear and visionary leadership needed to propel the rank and file of workers and their trade unions into the 21st century.

The trade union also performs an important political function within the industrial organisation or enterprise. In contrast to the apparently helpless position of the individual workers, the trade union promotes workers' participation in decision-making through the processes of joint consultation, collective bargaining, etc. In this circumstance, the union curbs any tendency to arbitrary decision-making on the part of the employer, enhances the position and status of the worker and promotes industrial democracy.

4.2 WHY WORKERS JOIN UNIONS

The reasons why workers join trade unions would be clear from the foregoing.

According to Yesufu (1981), the union is better placed and stronger than the individual worker both financially and otherwise, in promoting and defending the terms and conditions of employment. The extent to which potential members join the union, therefore, would be partly a reflection of the degree of which they have confidence in the union to achieve results in these matters. As Iji (1995) put it, "the proportion of the labour force that is unionised at any moment in time depends on three things: (1) the benefits that workers enjoy because they are union workers; (2) the tastes and attitudes of workers toward union
membership as such; and (3) the cost of organising and maintaining worker participation in unions and collective bargaining arrangements with employers.

While the economic consideration may be paramount, there are other considerations which compel or induce workers to join unions. In any enterprise or industry where the closed shop or union prevails, the worker has no choice but to join the union if he wishes to get a job or retain it. Even where this is not the case, the fear of non-fraternization from his colleague or, indeed, outright ostracism, may be so strong that the worker does not care to analyse the advantages or otherwise of union membership. On the other hand, the union is a potent institution which offers to the worker the highly cherished opportunity for "the society and respect of his fellows". As Yesufu (1981) also perceived it, it offers the opportunity for the worker to interact with his colleagues, to commune with them irrespective of the economic nexus and to render services, if need be, in the common interest.

It follows, as Momoh (1995) and Yesufu (1981) put it, that to classify unionism, therefore, merely as a mechanism for collective bargaining for economic advantages is to underrate its importance in a democracy. They also pointed out that the contribution of unionism at its best, is that it provides workers with a realistic medium through which their common interests may be expressed and their common needs met. It gathers together the threads of individual lives, made of
the same stuff but tangled, straightens them out and weaves them into patterned fabric which is not only of importance in itself but which gives new importance to each thread.

5.0. BARGAINING THEORY

Bargaining is the process by which two parties, each with its own defined objectives confer together in order to reach a mutually satisfying agreement on matter of common interest.

Sonubi (1987) note that this definition establishes the three essential elements of the Bargaining Process:

1. Each party will have its own objectives which it must strive to achieve.
2. The parties must be motivated towards reaching an agreement which is recognised by both as mutually satisfying their essential needs.
3. The end-product of the negotiation is a matter of common interest.

5.1. BARGAINING SITUATION

In the words of Onifade (1984), a bargaining situation arises between or among individuals or groups who have latent or open conflict in a congruent interest. A situation of buying and selling will illustrate this point clearly. The buyer has interest in the goods because he expects to derive utility from it, the seller has interest in the goods as source of purchasing power for acquiring utility from other goods and
services. There is thus a congruence of interest in the commodity on sale. The conflict arises from the maxizing behaviour of the economic man. The buyer will want to minimize the transfer of resources for the acquisition of the goods and the seller has the interest in maximizing the transfer of resources for parting with the goods.

5.1.1. Perfect or Pure Bargaining Situation

A simplified example will be used here to study the main elements of the bargaining and the conditions for effectiveness. This can be referred to as a perfect or pure bargaining situation.

Kunle Nigeria Limited is owned by one man Mr. Business man, and he engaged Mr. Employer in the enterprise. (Where more than one worker is involved, they form themselves into a trade union to increase their bargaining power vis-à-vis. The Businessman). In this case, the congruent interest is Kunle Nigeria Ltd., a source of income for Mr. Business man and Mr. Employee, who are parties to the bargain.

The conflict situation arises from sharing the "cake" baked or the "value added" from the business. If the "value added" is constant from year to year, no change in the shares of profit and wage be Pareto - Optimal. That is, there is no change whereby worker is made better off without the business being worse off (suffering a reduction in profit).

In games theory, this will be called a zero - sum game situation where worker's gain is what the Businessman loses - making the sum of the wins and losses zero. To convert the zero sum game to a game of
cooperation i.e. non-zero sum, so that one party gets more without the other getting less or both parties get more, the bargainers need to bring in productivity schemes to increase the size of the value added - the size of the cake shared.

For simplicity, it is necessary to return to the constant value added situation. In this situation, the result of the bargaining will be affected by the following factors:

a. Enterprise ability to pay - Affordability.
b. The wage in Kunle Nigeria Limited, compared with the rates in its industry and those companies in the same environment.
c. The level of employment in the country.
d. Other externalities.

5.1.2. **Characteristics of the Perfect Bargaining Situation**

According to Onifade (1984), what has been called the perfect bargaining situation above has the following characteristics:

i). The congruent interest is clear and measurable and link between input and output is direct, consequently, the loss or gain to either party is definite.

ii). The parties to the bargain are distinct and clearly defined.

iii). The particular interest of the parties are distinct and there is no possibility of internal conflict of interest for either party (no party can be “bribed”, That is, “to sell out”.

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iv). Each party has the competence and authority to reach agreement.

v). There is no excuse for reneging on the agreement reached (only a “force majeure” arising from the Government economic policy can vitiate the agreement).

6.0. CONCLUSION

It could be seen from the foregoing that the importance of trade unionism in any developing country cannot be over emphasized. In fact, the trade unions have a vital role to play not only in the management of individual relations but in the progress of the community.

Secondly, although individuals are involved in industrial relations with or without the supports of trade unions, trade unions provide an additional advantage of organized approach based on collectives strength and wisdom. The trade union wields some power over its members and this power can be channelled to constructive use.

Looking back on the role of our trade unions in recent years, one can say that there is reason for cautious satisfaction rather than despair. They have common up within a short period of time. They have learnt so much and so fast within this short period of time and if the past provides any guide to the future, they are definitely going to excel themselves in the foreseeable future.
REFERENCES


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