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Academic Foresights

## Industrial Relations in Africa

### *How do you analyze the present situation of industrial relations in Africa?*

On the 5<sup>th</sup> of February 2015, a campaign rally by one of the political parties jostling for votes in the 2015 general elections in Nigeria was disrupted by angry placard bearing and near violent workers who were protesting what they saw as the attempt of the central labor union, the Nigeria Labor Congress (NLC) leadership to scam them out of their money with a bogus contributory housing scheme. Some of the workers had paid over ten thousand dollars (in local currency, Naira) into the scheme for two years running and have nothing neither concrete nor promising to show for it. However, of interest was some of the inscriptions on the placards – these ranged from calling the president of the union, a thief; declaring the death of the union to announcing that unions are now irrelevant to the workers since the leaders occupy another world removed from that of the workers.

The bottom line was a mass hysteria and frustration with the drooling giant the once militant NLC has become even as economic conditions of the workers are grimmer and working conditions unpalatable in most instances these days (1). The above scenario is by no means an isolated one since one can see similar instances in so many other developing nations in Africa. But instructive is that the retreat of the union has strangely coincided with the rise of economic liberalism and especially globalization since the late 1980s.

In view of the above setting, this piece makes a contribution to the discourse on the impact of neoliberal globalization on labor/industrial relations especially in the developing world. In fact, as has been apprehended by Lopez the workers in the global South face immense and profound difficulties in trying to confront neoliberal globalization (2). One manifestation of the influences of globalization and its neoliberalism is the obvious retreat of organized labor in the industrial relations system. In this case, neoliberalism has grossly weakened labor and made collectivism which has been the strength of organized labor overtime unimportant in the economic frame of the average worker. Employers generally prefer the non-unionized worker and the labor union as a largely welfare oriented collection than a party in the labor process on the basis of equity with the employer. The above trend became noticeable in the late 1980s and has been on a heightening trend in Africa especially as the global economic system favors unbridled capitalism, economic voyeurism and fragmented labor.

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Crucial in understanding classic industrial relations is the attempt of John Dunlop (3) to capture the humanness of labor as a rational and often times free-acting agent in the work place as well as the industrial relations system being an embracing system of relations and job regulation between three regular parties (read partners).(4) In this situation, labor contrary to the ideas of Karl Marx is expected to enjoy equal footing with other parties in setting the procedures for interaction in the work place and defining the context of the labor process.(5) The industrial relations perspective is also anchored on the assumed realities of plurality, interaction and consensus emanating largely from the works of Sidney and Beatrice Webb in England.

This piece is a reflection on the state of industrial relations nowadays in Sub-Saharan Africa and more critically how and why industrial relations as we know it now would frizzle out in Africa in the coming decades as it gets swallowed up by unbridled capitalism and the frenzy for private sector participation. The future of the union and the once proudly touted industrial relations that would foreground the industrial harmony on which productive economic activities in these nations would be based seems a thing destined to fade away in the next ten years. So also is the once promising hope of industrial democracy in which workers and the employers would share some innocuous equity in determining the labor process.

***In your opinion, how will the situation likely evolve over the next five years?***

One of the gradually emerging realities about labor in Africa and which impacts on the industrial relations system (particularly the ability of labor to successfully challenge capital) is that increasing skill levels has meant in reality the increasing malleability of labor to the demands of capital. In other words, skill alone has failed to ensure a foothold for labor in industrial relations. The scenarios of today's work relations is that those who are highly skilled in Africa are either usually poached by the West (the globalization effect) or are engrossed with the big apple the employer offers as long as they do not upset the apple cart.

Therefore, the emergence of more skilled labor force in Africa in the last three decades has meant feeding the appetite of globalization for migratory skilled labor and the existence of a narrow minded, historically parochial and economic obtuse labor largely inured to the values of labor collectivism.

What one sees emerging in the short run despite the optimism of Sutcliffe (6) in labor's ability to overcome neoliberal globalization, is the gradual emergence of a transnational capitalist class which provides the framework for the hegemonic power of global capital in its neoliberal guise. Probably the categorization of this class as a "unitary, absolute power against which counter-movements are helpless"(7) seems pertinent and mirrors the daily increasing powerlessness and emasculation of organized labor not only in Africa but in most other areas of the developing world.

What will obtain in the next five years in the industrial relations system in Africa is slightly more in line with the views of the conflict scholars of industrial relations than the popular and hallowed systems orientation which has been the hallmark of industrial relations practice in Africa. The Conflict approach sees industrial relations as concerned with processes of control over work relations and contends that the conceptualization of industrial relations along the lines made popular by John Dunlop obscures the fact that quite a lot of informal and interpersonal relationships occur in the work place and are as important as the formal or institutional relationships. However, what approximates the emergent situation in the work place from the above perspective is the issue of control i.e. even now and in the envisaged future, control or power is a fundamental element of the relationship between the employer and the employee. In spite of this, the conflict school is still yards off the mark since it envisions the possibility of equity in work relations and sees labor as possessing the stamina for a sustained and successful struggle with capital. This classical Marxian optimism in the conflict potentials of labor has been belied by increasing fragmentation, disempowerment and balkanization of the labor class in capitalist and post capitalist eras.

So what went wrong? The answer would seem both a wrong reading of the growth trajectories of industrial capitalism even though aptly understood and interpreted by Marx (in what many these days would consider as fundamentalist and pessimistic perspective on the emerging new economic order). However, the eagerness to dwell on the utopia of Marx has often led social scientists astray and thus made them unable to appreciate the basic realities of the Marxian perspective on the labor process and the dangers of capitalism) and the emergent conspiracy between globalization (cum economic liberalism or neo-liberalism in Africa) and the stretching of democracy. Democracy is in this case seen mainly as a ruse for calming the nerves of the less privileged citizens and marginal countries as the rich economies of the West and their outposts in Asia prey on obvious vulnerabilities and fragilities of these other economies especially in Africa. Economies that are held hostage by a bogusly defined world system anchored on the orthodoxy of no survival outside the economic and political walls and whims of the West.

The labor unions in Africa are gradually transforming into performing largely welfare and mediation roles instead being the third and active party in the industrial relations system. The workers are daily becoming aware of the continued distance between their workplace aspirations and the roles of the union. With the gathering steam of mass loss of confidence and the questioning of the integrity of the so-called labor leaders coupled with the brazen preference of the growing private sector for workers that are neither unionized nor entwined in the once glorious rules of engagement in the labor process, the industrial relations system would pass away in real sense and would probably be replaced by a parley system in which what passes for industrial relations would be regular meetings between the government and significant private sector players. The

increasing popularity of the Chambers of Commerce and Industry and their emergence as economic and fiscal advisors to the government attest to the above coming scenario.

*What are the structural long-term perspectives?*

Already the first and firm seeds of the demise of industrial relations and the once burgeoning labor union sector in the long run in Africa have emerged in the increasing incidence of precarity of labor. Largely labor precarity is captured in the extant literature as depicting the powerlessness of the worker in the work place. In other words, precarity in its shortest form embodies exploitation and exclusion in the labor process. But these conditions generate vulnerability and intermittency that go beyond the work place to envelope and mediate life in general.

Therefore, precarious labor is denied full work rights and cannot unionize or agitate through formal means for such rights. Also, it is the opinion in the literature that precarity in spite of often been associated with workers at the margins do not refer to vulnerability or frustration alone. I see that there is often a slight of hand usage of the term obviously by industrial relations enthusiasts and those who are still caught up in the frame of the improbability of productive engagement without industrial relations. In this case, precarity is seen conveniently as the affliction of the workers at the margins of the production process and who because of lack of skills and capacity cannot get better deals without the magnanimity of the employers (in this sense, the conditions of work and compensation from it depend on the benign employer).

There is the consoling feeling that precarity afflicts only a small percentage of largely urban workers in the cities of Africa and Latin America. But this is hardly the truth and often belies the fact that the labor union has greatly declined in terms of clear and concrete roles in setting compensation benchmarks and the rules of labor engagement in Africa. A fact clearly demonstrated in the immediate globalization period in which the mantra of privatization as the credible route to development was foisted on African nations. The desire to enthrone privatization and allow the much sought after Foreign Direct Investment (FDI) go where it pleases have all encroached on, narrowed and stifled the power of labor. These things have also played out in the face of the massive labor layoffs, retrenchments and freeze on mobility with origins in the economic Structural Adjustment Program (SAP) era).

The immediate post-SAP era has not fared any better for the workers since in spite of massive privatizations in countries in Africa (Nigeria; Ghana; Ivory Coast and even South Africa are classic cases), there has been a spiraling unemployment situation and a tendency for the government not only to retreat but treat labor matters as often impediments to the desired FDI and growth of the private sector. While massive unemployment rates and 'pittance' salaries have kept public sector labor unions at bay, the almost non-existence of labor laws and robust industrial relations practice generally

considered hindrances to the profit motive have kept the private sector largely non-unionized in effective terms.

More so, precarity also involves a committed effort by the state to deregulate the labor market which in turn privileges and legalizes part-time labor, fixed-term contract employment (moving from the exception to the main form of employment); casual labor; output/outcome based remuneration and tenure of employment; de-empowerment of labor unions; individualized employment contracts etc. Thus, precarity affects not only the classic notion of labor unionism but more crucially the ability of labor to build solidarity or cohesion necessary for a realistic confrontation with capital.

Perhaps epitomizing the growing powerlessness of labor is the surge in informalization in the economies of the developing world. Neoliberal globalization has witnessed a huge proliferation of informal sector workers who are neither unionized nor within the formal ambit of state regulations. As the case of India portrays, the number of people in this sector is often overwhelmingly large and these workers are not unionized but with a tendency to explode as neoliberal globalization incidentally contracts public sector employment at the same time (8).

An overtly economic orientation to governance and labor policies/regulations has placed the needs of the employers well above that of labor. As a matter of fact, in spite of our discomfort with neo-liberalism in the developing world in Africa and parts of Asia, it has come to stay given the current frame of world economic system. While the growth of China over the last two decades seemed to offer hopes of taking some punch out of acute capitalism, the now obvious immersion of China in capitalism even in spite of wearing a socialist public toga and apprehension of free or open cyber space raises further questions. So what has happened is that China has joined the US and Europe in enthroning diverse regimes of acute capitalism in Africa. There is need to appreciate at this juncture that the Africa labor market (including its conventional industrial relations system) was sired in highly contested political and socio-economic contexts especially as a result of colonialism and the deep urge of Africans to escape both colonialism and consequent imperialism.

However, these were the days when there was commonality of interest between the labor movement and the political class. The achievement of independence and the quick onset of economic challenges resulting from both political corruption and mismanagement resulted in a deep distrust between the political elites and the working class who sought a better society. The resultant cry for help enabled the erstwhile colonial overloads to make a comeback through multi-lateral aid and development agencies and tokens premised on the ground that these nations especially their political leaders would share, canvass and market the development paradigms emanating from these agencies. These African leaders who were then operating from a position of weakness had no option than to acquiesce. Perhaps, the incredulity of this orientation has been captured in the case of African leaders in the 1980s telling their citizens that

there was no alternative to the Bretton Woods SAP; which was soon enough replaced by the idea that there can be no economic development without privatization and the retreat of the government from social provisioning and economic activities. (9) (10).

These ideas which are very much alive in various forms and even much more reinforced nowadays privileged the supremacy of neo-liberal economic ideas as the only sustainable way to go. This incidentally empowers ruthless capitalism in the private sector and grossly weakens the position of labor as the third party in the tripartite industrial relations system. In reality, the role of the state vis-à-vis intervention should be dictated by the level of development attained by any given state. As has been argued elsewhere, “once an economy has developed to a significant level or has achieved external and internal stability, and then the state by active involvement or intervention becomes a cog in the wheel of further development. Thus, minimal state intervention may be the norm in such an economy” (11). Apparently quite a lot of the states in sub-Saharan Africa have not attained this status and may need the state to ensure that private capital responds to social obligations and that public and economic measures tackle social needs and massive privations caused by policy failures.

However, it would be unrealistic to simply run away with the idea of a steam rolling and unchallenged neoliberal globalization that makes organized labor irrelevant. This is because there have been pockets of new alliances which try to build a frame of solidarity among the now growing informal sector workers especially in the global South. However, these efforts remain “pockets of alliances” denoting both their gross inadequacy, fewness; and more critically inability to impact on national policies and practices of labor engagement. For instance, while an organization like Street Net International (an umbrella organization for street vendors and workers) may pressure the ILO into bringing the peculiar concerns of its constituency on the table, how effective is this organization in terms of influencing and mediating specific national contexts and rules of exchange between labor and capital? A worry that becomes even more troubling in view of the historical inability of the ILO to influence national labor policies especially the growing casualization of labor (12). More so, international labor coalitions as important as they seem are neither good nor suitable substitutes for classic labor union engagement and interchange with capital under the framework of industrial relations.(13)

Thus, precarity is appropriate and apt in characterizing the coming final disappearance of genuine industrial relations (industrial relations where labor plays an effective and frontal role). Even though the concept of precarity and the analysis it generates are still contested, there is no doubt that labor in the developing world has lost enormous grounds and have become almost invisible as a partner in industrial relations. Therefore, “the value of the concept of precarity should not then rely solely on the accuracy of its analysis but rather on its potential to regenerate imaginations and lifestyles in the midst of an ongoing decline in traditional union organizing and a perceived fragmentation of

the collective into singular identities”(14).

What one sees emerging in the next ten years in Africa is the end of full-time, indefinite and permanent contract as the dominant framework of labor relations and the clear emergence of a system in which employment is for a fixed time (fixed-term contracts) and based on the production of certain outcomes by the employee. Interestingly, the contract tenure can be voided at any point the outcomes fall below the expected or stipulated target. As a matter of fact, over 40% of employees in the banking industry in Nigeria now are tied to this arrangement. The arrangement has also operated in the oil sector in Nigeria whereby the major Trans-National Oil Companies (TNOCs) contract out jobs to contractors who engage part time or fixed-term contract workers. This type of arrangement works to the advantage of capital since these workers only receive a fraction of what they would have got under due employment (full-time and permanent) framework. This type of contract is akin to the idea of the so-called “garbage contract” in the 1980s Spain and is the reality of the future for African labor.

#### Notes:

- (1) The recent mass rejection of the ruling party in favor of the opposition in the just concluded polls portray the desire for a change.
- (2) Lopez, S (2005). “Bring Out Yer Dead: Neoliberalism and the Crisis of Trade Unionism”. *Work and Occupations*, 32 (3): 355 – 359.
- (3) Dunlop, J.T (1958). *Industrial Relations System*. New York: Holt .
- (4) It is significant to note that before the publication of John Dunlop’s classic – *Industrial Relations System* – in 1958, the expression “system” was already gaining grounds in the industrial relations literature of the early 1950s. A very classical example of this trend was the publication of the book – *The System of Industrial Relations* – by Allan Flanders and Hugh Clegg in 1954. These parties in the industrial relations system ideally are the workers (represented by the trade union); the employers and the government.
- (5) However, Dunlop’s efforts represent a typical intellectual rebuttal of the ideal role of labor put forward by Karl Marx. In this sense, while both of them envisioned significant roles for labor in the work place, they disagreed on how best this role should be played. Thus, while Marx advocated antagonizing role for labor or the trade union, Dunlop saw labor as capable of forging good understanding with the employers at the work place. But such an understanding, while cautious of the diametric opposition between the two parties is built on the recognition by all parties that they stand to gain from the continuance of the employment relationship.
- (6) Sutcliffe, J (2012). “Labor Movement in the Global South: A Prominent Role in Struggles against Neoliberal Globalization”. *Interface*, Vo. 4 (2); 52 - 60.
- (7) Stephen, M (2011). “Globalization and Resistance: Struggles over Common Sense in the Global Political Economy”. *Review of International Studies*, 37: 210.
- (8) Agarwala, R (2007). “Resistance and Compliance in the Age of Globalization: Indian Women and Labor Organizations”. *Annals of the American Academy of Political and Social Science*, 610: 142 – 159. O’Driscoll, D. (2000). “Wages and the World Order: The

*Social Science*, 610: 143 – 159; O'Brien, R (2000). "Workers and the World Order: The Tentative Transformation of the International Union Movement". *Review of International Studies*, 26: 533 – 555.

- (9) However, the assumption that state intervention is negative to economic growth has scanty historical evidence whereas there is ample evidence in history especially in the cases of countries like Holland, Britain, Russian, Japan and even China to show that on the contrary state intervention may actually facilitate overall development (Wertheim, W.F. 1992. "The State and the Dialectics of Emancipation". *Development and Change*, 23, No. 3: 257 -281). In fact, the popularity of the idea of state intervention crippling economic growth and development in Africa among multilateral development agencies is typically a case of throwing away of the baby with the bath water. Thus, while the notion is reflective of the pillage of state resources in the public sector in Africa, it ignores the fact that for a developing economy marked by deepening poverty as is the case in a lot of these African states, the state regulation of the economy through occasional intervention and reasonable participation may be necessary. Hence, what should be important is the nature and extent of intervention and not really intervention per se.
- (10) It might be interesting to note that in spite of the odious allegation of woeful performances leveled against public enterprises in Nigeria for instance, a study by Bedford Fubara (1982) revealed that most of the public enterprises were not just breaking even but making profits. In other words, the problem lies at the doorstep of irresponsible leadership and political corruption and make such profits disappear and unaccounted for by political cronies put in charge of such enterprises.
- (11) Anugwom, E.E (2001). "Privatization of Workers' Housing Provision: the National Housing Fund (NHF) Scheme in Nigeria". *African Administrative Studies*, No. 57: 27 - 34.
- (12) For insights into the Nigerian case, see Anugwom, E.E (2007). "Globalization and Labor Utilization in Nigeria: Evidence from the Construction Industry". *Africa Development*, Vol.XXXII No. 2: 113 – 138.
- (13) This is in spite of the resurgence of collaborations between the labor union and social movements or the so-called Social Movement Unionism (SMU). The SMU is anchored on the spreading of union involvement beyond the immediate workplace or labor process arena. While this tendency has its undoubted significance, the workplace is still the arena for recapturing the power of labor and reimagining the labor process in ways that are salutary to labor and tackles work-related precarity.

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