

## NAVIGATING COLLECTIVE BARGAINING IN NIGERIA'S OIL AND GAS SECTOR\*

**Abstract**

*This study examined the challenges and prospects of collective bargaining in Nigeria's oil and gas sector, highlighting the unique complexities faced by trade unions in negotiating worker rights within this critical industry. Nigeria's oil and gas sector, a cornerstone of the national economy, has been characterized by a labour environment heavily influenced by economic, political, and regulatory factors. The research reviewed the historical development of collective bargaining in Nigeria, focusing on the current legal framework governing labour relations in the sector. Findings revealed significant challenges, including employer resistance, regulatory gaps, union fragmentation, and the rising trend of outsourcing, which undermined the bargaining power of labour unions. Comparative analysis with other oil-producing countries demonstrated that Nigeria could benefit from adopting specific legal and institutional practices to bolster union influence and protect worker rights more effectively. Despite these obstacles, the study suggested potential reforms aimed at strengthening the sector's regulatory framework, enhancing institutional capacity, and integrating technology to improve collective bargaining outcomes. Recommendations were directed at updating labour laws, supporting capacity building for unions and regulatory bodies, and promoting Environmental and Social Governance (ESG) principles to ensure a balanced labour relations framework. This paper provided insights into how strategic reforms could enhance collective bargaining in Nigeria's oil and gas sector, promoting sustainable development and fostering a more equitable labour environment. Future research could explore the influence of global labour trends and international organizations on the evolution of collective bargaining within the Nigerian oil and gas industry.*

**Keywords:** Collective Bargaining, Trade Unions, Labour Relations, Regulatory Framework, Economic Sustainability

**1. Introduction**

The oil and gas industry is undeniably the bedrock of Nigeria's economy, contributing significantly to national revenue, foreign exchange, and job creation. As one of the world's top oil producers, Nigeria is profoundly reliant on this sector, making stable labour relations a necessity for both economic sustainability and national prosperity. However, the labour dynamics within Nigeria's oil and gas sector are complex. They are influenced by a myriad of economic, political, and social factors that together make collective bargaining a cornerstone for maintaining harmony in the workplace.<sup>1</sup> Collective bargaining—a process in which unions negotiate with employers over working conditions, wages, and benefits—is especially critical in a sector that affects so many aspects of national life.<sup>2</sup> In the Nigerian oil and gas industry, trade unions have been instrumental in advocating for workers' rights. However, these unions face substantial obstacles, ranging from political influence to economic volatility and regulatory limitations that diminish their bargaining power. While collective bargaining traditionally serves as a tool for ensuring fair treatment, in Nigeria's oil and gas sector, the practice often encounters structural challenges both within unions and in the regulatory framework itself. Fragmented union representation, employer resistance, and inadequate legal protections further complicate the bargaining process, frequently leaving workers at a disadvantage.<sup>3</sup> Furthermore, Nigeria's existing labour laws, though well-intentioned, are outdated and often fail to address contemporary issues such as the rise of contract labour and outsourcing. This regulatory environment leaves trade unions grappling with the dual pressures of defending workers' rights and adapting to modern industry demands. Adding to these complexities is a global shift toward automation, digitalization, and adherence to Environmental and Social Governance (ESG) principles. These trends introduce new challenges to collective bargaining in the oil and gas sector, where unions must navigate both traditional labour concerns and emerging issues related to sustainability and corporate responsibility.

This paper aims to analyze the current state of collective bargaining in Nigeria's oil and gas sector, identifying key challenges and examining regulatory gaps. Through comparisons with other oil-producing countries, the study also seeks to explore reforms that could strengthen Nigeria's collective bargaining framework. The insights offered here are intended to guide policymakers, labour unions, and industry stakeholders in creating a balanced and sustainable labour environment. In the sections that follow, we will explore the historical evolution of collective bargaining in Nigeria, review the current legal framework, identify specific challenges faced by unions in the oil and gas industry, and propose potential reforms. This analysis contributes to a broader understanding of how Nigeria's labour framework can adapt to both local and global pressures, ensuring that collective bargaining continues to serve as an effective advocacy tool for workers in this critical sector.

\*By **Kenneth Chinemelu NWOGU, LLB, BL, LLM, MSc, PhD**, Professor of Law, Faculty of Law, Nnamdi Azikiwe University, Awka, Anambra State. Email: ck.nwogu@unizik.edu.ng. Tel.: 08033897173; and

\***Alex Iloba UWADINMA, LLB, BL, LLM, PhD Candidate**, Faculty of Law, Nnamdi Azikiwe University, Awka, Anambra State; Lecturer, Faculty of Law, Admiralty University of Nigeria. Email: alex.uwadinma-law@adun.edu.ng. Tel.: 08065181046.

<sup>1</sup> P Dzapasi, *A Critical Examination of the Nature, Scope and Extent of the Right to Collective Bargaining in the Constitution of Zimbabwe* (2022) <<http://localhost:8080/xmlui/handle/123456789/1288>> accessed 23 October 2024.

<sup>2</sup> A Garnero, 'The Impact of Collective Bargaining on Employment and Wage Inequality: Evidence from a New Taxonomy of Bargaining Systems' [2021] (27) (2) *European Journal of Industrial Relations*, 185-202.

<sup>3</sup> G Mundlak, *Organizing Matters: Two Logics of Trade Union Representation* (Edward Elgar Publishing, 2020) <[https://books.google.com.ng/books?hl=en&lr=&id=FijnDwAAQBAJ&oi=fnd&pg=PT6&dq=G+Mundlak,+Organizing+Matters:+Two+Logics+of+Trade+Union+Representation+\(Edward+Elgar+Publishing,+2020\).&ots=YXuDJlZxip&sig=mQV-Jb\\_p5mn\\_DDC21WnujhFhuI&redir\\_esc=y#v=onepage&q=G%20Mundlak%2C%20Organizing%20Matters%3A%20Two%20Logics%20of%20Trade%20Union%20Representation%20\(Edward%20Elgar%20Publishing%2C%202020\).&f=false](https://books.google.com.ng/books?hl=en&lr=&id=FijnDwAAQBAJ&oi=fnd&pg=PT6&dq=G+Mundlak,+Organizing+Matters:+Two+Logics+of+Trade+Union+Representation+(Edward+Elgar+Publishing,+2020).&ots=YXuDJlZxip&sig=mQV-Jb_p5mn_DDC21WnujhFhuI&redir_esc=y#v=onepage&q=G%20Mundlak%2C%20Organizing%20Matters%3A%20Two%20Logics%20of%20Trade%20Union%20Representation%20(Edward%20Elgar%20Publishing%2C%202020).&f=false)> accessed 23 October 2024.

**2. Historical Background and Development of Collective Bargaining in Nigeria**

Collective bargaining in Nigeria has a rich and varied history, deeply influenced by early labour movements, colonial labour policies, and the transformative impact of independence. The evolution of collective bargaining in Nigeria reflects shifting social, political, and economic landscapes, showcasing the resilience and adaptability of labour unions as they sought fair treatment and improved working conditions for their members. The roots of organized labour in Nigeria can be traced back to the early 20th century when the colonial government introduced wage labour primarily to support the extraction of resources.<sup>4</sup> During this period, labour conditions were harsh, with low wages, long hours, and minimal protections. Despite these challenges, labour began to organize as workers grew increasingly frustrated with their exploitation. One of the earliest and most significant labour movements was the Nigerian Railway Workers' Union, which organized strikes in the late 1930s, demanding better conditions and higher wages.<sup>5</sup> This early activism laid the groundwork for future labour movements and set a precedent for collective bargaining as a means to achieve workplace justice.<sup>6</sup> Following independence in 1960, Nigeria underwent a transformative period in labour relations. The newly formed government recognized the importance of formal labour rights and introduced several laws to establish frameworks for collective bargaining.<sup>7</sup> A pivotal piece of legislation, the Trade Unions Act of 1973,<sup>8</sup> officially recognized trade unions and empowered them to negotiate on behalf of their members. This Act was instrumental in shaping Nigeria's labour landscape, leading to increased union activity across multiple sectors, including the burgeoning oil and gas industry. However, the Act also imposed significant restrictions, as the government sought to maintain control over labour movements to avoid disruptions that could impact national economic interests.<sup>9</sup> The 1970s and 1980s marked a period of significant economic growth for Nigeria, driven by a booming oil and gas sector. This newfound wealth elevated the importance of the oil industry within the economy and heightened the stakes of collective bargaining. Labour unions, particularly those in the oil sector, such as the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) and the National Union of Petroleum and Natural Gas Workers (NUPENG), became powerful entities advocating for better wages, working conditions, and job security.<sup>10</sup> These unions often resorted to strikes and intense negotiations, challenging both corporate policies and government regulations to secure favourable terms for their members.

However, the economic downturn in the late 1980s, exacerbated by global oil price fluctuations, introduced new challenges to collective bargaining in Nigeria's oil sector. The adoption of Structural Adjustment Programs (SAPs), enforced by international financial institutions, required Nigeria to implement austerity measures that weakened the bargaining power of labour unions.<sup>11</sup> The SAPs led to retrenchments, privatizations, and wage freezes, severely affecting the oil and gas sector. Unions had to recalibrate their strategies, focusing on job preservation and mitigating the negative effects of economic reforms on workers' welfare. In recent decades, collective bargaining in Nigeria has continued to evolve, shaped by both global trends and local challenges. The deregulation of the oil sector and the rise of contract labour have introduced new complexities that labour unions are still grappling with today.<sup>12</sup> While the Nigerian Constitution guarantees the right to freedom of association and various labour laws support collective bargaining, enforcement is often inconsistent. Additionally, the fragmentation of labour unions has, at times, weakened their influence, as inter-union rivalries complicate efforts to present a united front. The historical development of collective bargaining in Nigeria thus illustrates an ongoing struggle for labour unions to assert their influence within a complex socio-political and economic context. As the country navigates globalization, technological advancements, and shifting labour practices, the legacy of past labour movements serves as both an inspiration and a lesson. Understanding this history is essential to addressing the current challenges that trade unions face in Nigeria's oil and gas sector, as well as charting a course toward a more effective and equitable system of labour relations.

**3. Current Legal Framework for Collective Bargaining in Nigeria's Oil and Gas Sector**

The legal framework governing collective bargaining in Nigeria's oil and gas sector is multifaceted, drawing on constitutional provisions, labour laws, and sector-specific regulations. While this framework provides a structured basis for labour relations, challenges in enforcement, regulatory gaps, and evolving labour practices expose its limitations. A closer look at the key components of this framework highlights both its strengths and areas in need of reform.

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<sup>4</sup> G Austin, *African Economic Development and Colonial Legacies* No. 1 (Institut de hautes études internationales et du développement, 2010) <<https://journals.openedition.org/poldev/78>> accessed 24 October 2024.

<sup>5</sup> TA Ayoola, 'Wale Oyemakinde and Nigerian Railway Labor Historiography' [2023] *Politics, Economy, and Society in Twentieth-Century Nigeria*, 27.

<sup>6</sup> Ibid.

<sup>7</sup> OF Orikpete and DR Ejike Ewim, 'Adoption of Occupational Health and Safety as a Fundamental Human Right and Its Implications for Nigerian Workers' [2023] (13) (3) *International Journal of Occupational Safety and Health*, 396-408.

<sup>8</sup> *Trade Unions Act (Cap T14, LFN 2004)*.

<sup>9</sup> *Trade Unions Act (Cap T14 LFN 2004)*, ss 3, 30.

<sup>10</sup> BO Adesugba, *Effect of Leadership Styles of Executive-Level Leaders on Employees' Safety Behaviors: A Quantitative Correlation Study* (PhD diss., University of Phoenix, 2023) <<https://www.proquest.com/openview/024ab57a5ae72dddb49058070cd15080/1?pq-origsite=gscholar&cbl=18750&diss=y>> accessed 23 October 2024.

<sup>11</sup> CA Odey, FE Odey, El Eyung, and OF Ogbaji, 'International Organizations and Development in Nigeria: A Study of International Monitoring Fund (IMF) and World Bank' (2022) 13(14) *Journal of Economics and Sustainable Development* <[www.iiste.org](http://www.iiste.org)> accessed 24 October 2024.

<sup>12</sup> VH Bidemi and OO Zacchaeus, 'Historical Perspective of Industrial Relationship in Nigeria' (2024) 7(2) *Development* 30-42.

### **Constitutional Provisions**

At the highest level, Nigeria's Constitution establishes a foundation for collective bargaining by recognizing fundamental labour rights. The 1999 Constitution guarantees the right to freedom of association, enabling workers to form and join trade unions to advocate for their rights.<sup>13</sup> This constitutional right is essential in the oil and gas sector, where unions like PENGASSAN and NUPENG play vital roles in representing workers' interests. However, while the Constitution provides these basic rights, the practical implementation of collective bargaining is further defined by specific labour laws and regulations.

### **Trade Unions Act**

A cornerstone of Nigeria's collective bargaining framework is the Trade Unions Act, which regulates the formation, registration, and operation of trade unions. This Act grants unions the legal authority to engage in collective bargaining on behalf of their members, empowering them to negotiate wages, working conditions, and other employment terms with employers.<sup>14</sup> It also grants unions the right to take industrial action, provided they adhere to legally mandated procedures. However, the Trade Unions Act imposes certain restrictions that can hinder union autonomy and bargaining power. For instance, the Act requires unions to register with the Ministry of Labour and Employment, a process that subjects unions to governmental oversight.<sup>15</sup> While this regulation is intended to ensure accountability, it can limit the independence of unions, as government influence may undermine their bargaining position. Additionally, procedural restrictions on industrial action—such as waiting periods and mandatory dispute resolution processes—can delay negotiations and weaken union leverage in critical situations.

### **Labour Act**

The Labour Act is another essential piece of legislation that regulates employment practices in Nigeria, setting minimum standards for wages, working hours, and terms of employment. The Labour Act provides a baseline for labour conditions, forming the basis for collective bargaining agreements in the oil and gas sector. This Act establishes minimum standards for working conditions, such as hours of work, leave entitlements, and protections against unfair dismissal.<sup>16</sup> These standards offer unions a foundation from which they can negotiate improved terms for workers.

However, the Labour Act has limitations, particularly regarding modern labour practices like contract work and outsourcing, which are prevalent in the oil and gas sector.<sup>17</sup> Unions often rely on the Labour Act's provisions to negotiate for job security, health and safety, and severance benefits. Still, the Act's failure to address contemporary labour issues has led to calls for reforms to expand its scope, ensuring it is relevant to today's employment landscape.

### **Trade Disputes Act**

The Trade Disputes Act<sup>18</sup> governs the resolution of labour disputes and outlines specific procedures for addressing conflicts between employers and employees. This Act requires that disputes first undergo mediation and arbitration processes before any industrial action is taken.<sup>19</sup> This approach aims to balance the rights of workers to strike with the need to maintain economic stability, especially in vital sectors like oil and gas. Under this Act, the dispute resolution process begins with informal mediation, followed by formal conciliation, and potentially arbitration by the Industrial Arbitration Panel (IAP) if necessary.<sup>20</sup> Should these steps fail, disputes may be referred to the National Industrial Court, which holds jurisdiction over labour-related issues. While these mechanisms facilitate fair dispute resolution, they can also restrict unions' ability to exercise bargaining power quickly, as mandatory conciliation and arbitration procedures may prolong negotiations. In a sector where time-sensitive issues are common, such delays can weaken union influence.

### **Sector-Specific Regulations**

The oil and gas sector is subject to specific regulations that affect labour relations and collective bargaining. The Petroleum Industry Act (PIA), for example, outlines policies on employment practices, environmental standards, and operational procedures.<sup>21</sup> Although the PIA focuses mainly on regulatory and financial frameworks, its provisions influence collective bargaining by setting employment standards. For instance, the PIA mandates that oil companies engage in Corporate Social Responsibility (CSR) activities, including community development, which unions can leverage in negotiations. Sector-specific regulations are enforced by bodies like the Department of Petroleum Resources (DPR) and the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). These agencies oversee compliance with labour and safety standards, adding another regulatory layer for unions to navigate. However, enforcement remains a significant issue, as these regulatory bodies often lack sufficient resources to ensure compliance. As a result, unions frequently encounter resistance from employers when attempting to enforce collective bargaining agreements, particularly in areas like safety standards and environmental protections.

<sup>13</sup> Constitution of the Federal Republic of Nigeria 1999 (as amended) s 40.

<sup>14</sup> *Trade Unions Act* (Cap T14 LFN 2004), s 24.

<sup>15</sup> *Trade Unions Act* (Cap T14 LFN 2004), s 3.

<sup>16</sup> *Labour Act* (Cap L1 LFN 2004) Part IV.

<sup>17</sup> EO Ekhaton and I Iyiola-Omisore, 'Corporate Social Responsibility in the Oil and Gas Industry in Nigeria: The Case for a Legalised Framework' in EG Pereira, R Spencer and J W Moses (eds), *Sovereign Wealth Funds, Local Content Policies and CSR* (Springer, Cham, 2021) <[https://doi.org/10.1007/978-3-030-56092-8\\_25](https://doi.org/10.1007/978-3-030-56092-8_25)> accessed 24 October 2024.

<sup>18</sup> *Trade Disputes Act* (Cap T8 LFN 2004).

<sup>19</sup> *Trade Disputes Act* (Cap T8 LFN 2004) s 4.

<sup>20</sup> *Trade Disputes Act* (Cap T8 LFN 2004) s 8.

<sup>21</sup> The Petroleum Industry Act (PIA) 2021 chapter 3.

#### 4. Challenges Facing Collective Bargaining in the Oil and Gas Sector

The Nigerian oil and gas sector faces a unique set of challenges in implementing effective collective bargaining. These challenges stem from the sector's economic importance, complex organizational structures, and evolving employment practices, which together create a landscape fraught with obstacles for labour unions. Despite the legal frameworks supporting collective bargaining, several factors hinder its effective implementation, limiting unions' ability to advocate for workers' rights fully. Here, we explore some of the major challenges impacting collective bargaining in Nigeria's oil and gas industry.

##### Economic and Political Pressures

The oil and gas industry is closely linked to Nigeria's economy, making it vulnerable to both domestic and global economic shifts. Fluctuations in oil prices can significantly impact revenue streams for companies and the government. During economic downturns, companies often respond by cutting costs, implementing wage freezes, reducing workforce sizes, and outsourcing jobs.<sup>22</sup> These measures weaken unions' bargaining positions, as companies cite financial strain to resist demands for improved conditions and wages. Economic instability, therefore, creates a challenging environment for collective bargaining, as unions struggle to secure favourable terms when employers emphasize cost-cutting. Political pressures also play a considerable role in collective bargaining dynamics. Given that oil and gas are crucial to Nigeria's fiscal health, the government often has a vested interest in maintaining uninterrupted production. This vested interest can lead to subtle or overt political interference in union activities, with the government sometimes pressuring unions to avoid disruptive actions that could impact production levels and national revenue. Such pressures can undermine union autonomy, limiting their ability to advocate assertively for workers' rights.

##### Union Fragmentation and Inter-Union Rivalries

The Nigerian oil and gas sector is characterized by the presence of multiple labour unions, such as the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) and the National Union of Petroleum and Natural Gas Workers (NUPENG). While this diversity in representation allows for the specific needs of different worker groups to be addressed, it also results in fragmentation and, at times, inter-union rivalry. These internal divisions can weaken the collective bargaining power of unions, as disagreements over priorities or competition for membership dilute the overall strength needed to negotiate effectively with powerful multinational employers.<sup>23</sup> Conflicts between unions can also arise when different unions prioritize various issues, creating misalignments in bargaining goals. For instance, one union might emphasize wage increases, while another focuses on job security or health benefits. Such differing agendas can hinder unified bargaining efforts, making it easier for employers to exploit divisions within the labour movement.<sup>24</sup> Consequently, inter-union rivalry reduces the overall impact of collective bargaining, preventing unions from securing substantial improvements for workers.<sup>25</sup>

##### Employer Resistance and the Rise of Contract Labour

Employer resistance to union activities and collective bargaining is another significant challenge in the oil and gas sector. Many companies, particularly multinational corporations, often resist unionization due to concerns over productivity, operational flexibility, and cost control.<sup>26</sup> This resistance is commonly manifested through policies that discourage union membership or limit union influence within the workplace. Employers may rely on tactics such as outsourcing and hiring contract workers to reduce union power, as contract labourers typically have fewer rights and protections compared to permanent employees.<sup>27</sup> The rise of contract labour in the industry has created a dual labour system, where permanent workers benefit from union protections, while contract workers remain vulnerable. In many cases, contract workers are excluded from union membership and are not covered by collective bargaining agreements, leaving them without a voice in negotiating terms for fair wages or safe working conditions.<sup>28</sup> For unions, this fragmentation within the workforce complicates bargaining efforts, as they must simultaneously address the needs of both permanent and contract workers while contending with employer strategies that diminish union influence.

##### Regulatory Challenges and Weak Enforcement Mechanisms

While Nigeria's regulatory framework for labour relations provides a basis for collective bargaining, its effectiveness is often undermined by outdated laws and weak enforcement. Many of the country's labour laws, including the Labour Act

<sup>22</sup> I R Edvardsson and S Durst, 'Human Resource Management in Crisis Situations: A Systematic Literature Review' [2021] 13(22) *Sustainability*, 12406 <<https://doi.org/10.3390/su132212406>> accessed 24 October 2024.

<sup>23</sup> J Agbonifo, 'Fuel Subsidy Protests in Nigeria: The Promise and Mirage of Empowerment' (2023) 16 *The Extractive Industries and Society* 101333 <<https://doi.org/10.1016/j.exis.2023.101333>> accessed 23 October 2024.

<sup>24</sup> H Hafiz and I Marinescu, 'Labor Market Regulation and Worker Power' (2023) 90(2) *The University of Chicago Law Review* 469-510.

<sup>25</sup> I Messina and J Las Heras, 'Union Strategies in Conflict: A Comparative Study of Strike Fund Institutionalisation and Infrastructural Resources' (2024) *British Journal of Industrial Relations* <<https://doi.org/10.1111/bjir.12824>> accessed 25 October 2024.

<sup>26</sup> C Oya and F Schaefer, 'The Politics of Labour Relations in Global Production Networks: Collective Action, Industrial Parks, and Local Conflict in the Ethiopian Apparel Sector' (2021) 146 *World Development* 105564 <<https://doi.org/10.1016/j.worlddev.2021.105564>> accessed 25 October 2024.

<sup>27</sup> SR Widyorini and AT WL Tyaswati, 'Work Agreement on Outsourcing System and Legal Protection for Workers' (2022) 3(1) *International Journal of Educational Research & Social Sciences* 484-499.

<sup>28</sup> S Hayter and J Visser, 'Making Collective Bargaining More Inclusive: The Role of Extension' (2021) 160(2) *International Labour Review* 169-195.

and Trade Unions Act, fail to address contemporary issues such as outsourcing, automation, and contract labour, which are now common in the oil and gas sector. The lack of specific provisions regulating these practices leaves workers exposed to potential exploitation and undermines the role of unions in protecting labour rights. Additionally, weak enforcement mechanisms further erode the power of collective bargaining. Regulatory agencies, such as the Ministry of Labour and Employment, often lack the resources and capacity needed to monitor compliance with labour laws effectively.<sup>29</sup> In remote or offshore installations, regulatory oversight is especially limited, allowing employers to sidestep labour standards with minimal consequence. This inconsistency weakens unions' bargaining power, as employers are less compelled to negotiate fairly if they believe they can evade penalties for non-compliance.

### **Bureaucratic and Procedural Constraints**

Nigeria's legal framework requires unions to follow specific procedures before initiating industrial action, creating bureaucratic hurdles that can delay or weaken collective bargaining efforts. Under the Trade Disputes Act,<sup>30</sup> unions must engage in mediation and arbitration before resorting to strikes. While these procedures aim to encourage peaceful dispute resolution, they often prolong negotiations and reduce unions' leverage. In an industry where issues such as safety hazards require prompt attention, these procedural delays can weaken unions' bargaining positions by giving employers more time to prepare countermeasures. Additionally, procedural constraints limit unions' ability to mobilize effectively. Non-compliance with mandated steps can render industrial actions illegal, which forces unions to proceed cautiously, sometimes resulting in diluted demands or protracted negotiations that ultimately benefit employers.<sup>31</sup> This procedural rigidity creates a challenging environment for unions, where they must balance compliance with the need for timely and effective bargaining strategies.

### **Health, Safety, and Environmental Concerns**

The inherently hazardous nature of the oil and gas industry presents unique health, safety, and environmental challenges that affect collective bargaining. Unions often prioritize issues like adequate safety equipment, regular health screenings, and environmental protections within their demands.<sup>32</sup> However, addressing these concerns requires significant investment from employers, leading to frequent resistance due to the associated costs. Employers may hesitate to allocate resources for safety improvements, especially if these investments reduce profit margins. This reluctance complicates bargaining, as unions must advocate for basic safety protections in a sector with considerable occupational risks.<sup>33</sup> Furthermore, enforcement of health and safety standards is inconsistent, adding another layer of complexity to union negotiations.

### **Technological Advancements and Automation**

The global trend toward automation and digitalization has transformed labour practices in the oil and gas sector. New technologies have increased efficiency in areas like drilling and extraction, but they also pose a threat to job security as companies rely more on machines than human labour.<sup>34</sup> This shift presents a challenge for unions, which must address the risks of job losses and advocate for retraining programs to help workers adapt. Additionally, technological advancements raise concerns over monitoring and surveillance, as companies use digital tools to track productivity. This surveillance may infringe on worker privacy, prompting unions to negotiate clear policies on data usage.<sup>35</sup> However, given the high costs associated with adopting new technologies, employers are often resistant to union demands, further complicating the bargaining process.<sup>36</sup>

## **5. Comparative Analysis of Collective Bargaining in Oil and Gas Sectors of Some other Jurisdictions**

Examining collective bargaining frameworks in other countries provides valuable insights into alternative models and best practices that could inform reforms in Nigeria's oil and gas sector. The experiences of the United Kingdom, United States, and South Africa each offer unique approaches to collective bargaining that address challenges similar to those faced in Nigeria.

### **United Kingdom: Structured Bargaining and Strong Regulatory Oversight**

The UK's collective bargaining framework emphasizes structured bargaining and robust protections for workers. Under the Trade Union and Labour Relations (Consolidation) Act 1992, employees have the legal right to form unions and engage in

<sup>29</sup> S Mustchin and M Martínez Lucio, 'The Evolving Nature of Labour Inspection, Enforcement of Employment Rights and the Regulatory Reach of the State in Britain' (2020) 62(5) *Journal of Industrial Relations* 735-757.

<sup>30</sup> *Trade Disputes Act* (Cap T8 LFN 2004) s 4.

<sup>31</sup> P Alexiadis and A de Streel, 'The EU's Digital Markets Act: Opportunities and Challenges Ahead' (2022) 23 *Bus L Int'l* 163 <<https://heinonline.org/HOL/LandingPage?handle=hein.journals/blawintl23&div=17&id=&page=>> accessed 25 October 2024.

<sup>32</sup> A Watterson, 'COVID-19 in the UK and Occupational Health and Safety: Predictable Not Inevitable Failures by Government, and Trade Union and Nongovernmental Organization Responses' (2020) 30(2) *New Solutions: J Environ and Occup Health Policy* 86-94.

<sup>33</sup> J Hsieh, M Karger, L Zagal, and H Zhu, 'Co-Designing Alternatives for the Future of Gig Worker Well-Being: Navigating Multi-Stakeholder Incentives and Preferences' in *Proceedings of the 2023 ACM Designing Interactive Systems Conference* (2023) 664-687 <<https://doi.org/10.1145/3563657.3595982>> accessed 26 October 2024.

<sup>34</sup> M Onifade, JA Adebisi, AP Shivute, and B Genc, 'Challenges and Applications of Digital Technology in the Mineral Industry' *Resources Policy* 85 (2023): 103978.

<sup>35</sup> A Aloisi and V De Stefano, 'Essential Jobs, Remote Work and Digital Surveillance: Addressing the COVID-19 Pandemic Panopticon' *International Labour Review* 161, no. 2 (2022): 289-314.

<sup>36</sup> B Rogers, *Data and Democracy at Work: Advanced Information Technologies, Labor Law, and the New Working Class* (MIT Press, 2023).

collective bargaining.<sup>37</sup> This framework is particularly relevant in the oil and gas sector, where unions have successfully negotiated comprehensive agreements covering wages, hours, health and safety, and redundancy terms. The Health and Safety Executive (HSE) enforces compliance with safety regulations, ensuring that unions can negotiate not only for wages but also for long-term safety and welfare standards.<sup>38</sup>

### **United States: Decentralized Bargaining with Strong Union Autonomy**

In the U.S., collective bargaining is decentralized, allowing individual unions considerable autonomy to negotiate based on specific workplace needs. The National Labour Relations Act (NLRA) protects the right to organize, and unions like the United Steelworkers (USW) play a prominent role in negotiations with large energy companies.<sup>39</sup> This model's flexibility enables unions to address workplace-specific issues swiftly, though it can result in inconsistencies across different states and companies. The U.S. regulatory agency, Occupational Safety and Health Administration (OSHA), enforces safety standards that complement collective bargaining, ensuring worker protections in hazardous settings.<sup>40</sup>

### **South Africa: Centralized Bargaining and Emphasis on Social Justice**

South Africa employs a centralized bargaining approach, where unions negotiate industry-wide agreements with employer associations. The Labour Relations Act (LRA) of 1995 promotes fair labour practices and social justice, facilitating standardized agreements on wages and working hours across the oil and gas industry.<sup>41</sup> South Africa's Bargaining Councils serve as forums for negotiation and dispute resolution, which helps maintain consistent labour standards.<sup>42</sup> This approach reduces disparities in labour conditions, making it a model Nigeria could consider to promote equitable treatment.

## **6. Conclusion and Recommendations**

Collective bargaining is a fundamental pillar of labour relations in Nigeria's oil and gas sector, playing a critical role in securing fair wages, safe working conditions, and job security for workers. Given the economic significance of the oil and gas industry, maintaining stable labour relations is essential for Nigeria's overall economic health. However, as this analysis has shown, the current collective bargaining framework is hindered by challenges such as outdated laws, weak enforcement, employer resistance, and union fragmentation. These issues limit the effectiveness of collective bargaining and often leave workers vulnerable in one of the country's most hazardous industries. To address these limitations, Nigeria must undertake a series of reforms that modernize labour laws, enhance regulatory oversight, and promote a more cohesive and collaborative bargaining framework. Drawing insights from international examples, such as the structured approach in the United Kingdom, the decentralized flexibility of the United States, and South Africa's centralized bargaining system, Nigeria has the opportunity to develop a balanced approach that meets the unique needs of its oil and gas workforce. These reforms would empower unions to negotiate more effectively, ensure fair treatment across the sector, and foster a labour environment that supports sustainable industry growth. Looking forward, the future of collective bargaining in Nigeria's oil and gas sector will depend on the commitment of policymakers, industry leaders, and unions to embrace change. By implementing the recommended reforms, Nigeria can create a labour relations system that balances the interests of workers and employers, fostering stability, fairness, and resilience within the sector. Ultimately, empowering workers through effective collective bargaining is not just a matter of justice—it is a strategic investment in Nigeria's economic future, ensuring that the oil and gas industry remains a viable, prosperous, and fair cornerstone of the national economy. Based on the analysis of challenges, the following recommendations offer actionable steps that policymakers, unions, and employers can take to improve collective bargaining practices in Nigeria's oil and gas sector. These recommendations aim to create a balanced and effective labour relations framework, protecting workers' rights while supporting industry growth.

### **Modernize Labour Legislation to Reflect Modern Employment Practices**

Nigeria's labour laws must be updated to account for contemporary work practices, including contract labour, outsourcing, and the growing use of digital platforms.<sup>43</sup> Modernizing legislation would ensure that all workers—whether permanent, contract-based, or outsourced—are entitled to the same protections under collective bargaining agreements. Such reforms could also include provisions that recognize remote and temporary workers' rights, making labour laws more inclusive and responsive to the realities of today's workforce.

### **Enhance Enforcement Mechanisms for Labour Compliance**

Effective enforcement is essential to upholding labour standards. Regulatory agencies should be provided with increased funding and resources to enable consistent monitoring of labour practices, particularly in remote areas.<sup>44</sup> Implementing stricter penalties for companies that violate labour laws, along with regular inspections, would improve compliance.

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<sup>37</sup> Trade Union and Labour Relations (Consolidation) Act 1992, s 10.

<sup>38</sup> Health and Safety at Work etc. Act 1974, s 11.

<sup>39</sup> National Labor Relations Act 1935, s 7

<sup>40</sup> PA Schulte et al, 'Occupational Safety and Health Staging Framework for Decent Work' (2022) 19(17) International Journal of Environmental Research and Public Health 10842 <<https://doi.org/10.3390/ijerph191710842>> accessed 26 October 2024.

<sup>41</sup> Labour Relations Act 1995 (LRA), s 1.

<sup>42</sup> D Pillay, 'Labour Dispute System Design-Dispute Resolution, Conflict Management or Problem Solving?' (2020) Pt. 2 Indus LJ 41.

<sup>43</sup> GC Nwaobi, 'Gig Sector in the African Economy: Frameworks, Challenges and Prospects' (2024) Challenges and Prospects (23 March 2024).

<sup>44</sup> E Mirbahaeddin and S Chreim, 'A Narrative Review of Factors Influencing Peer Support Role Implementation in Mental Health Systems: Implications for Research, Policy and Practice' (2022) 49(4) Administration and Policy in Mental Health and Mental Health Services Research 596-612 <<https://doi.org/10.1007/s10488-021-01186-8>> accessed 26 October 2024.

Furthermore, digital tracking and reporting systems could allow regulatory agencies to monitor and respond to labour violations in real-time, enhancing oversight and accountability.<sup>45</sup>

### **Promote Industry-Wide Bargaining Standards through a Centralized Framework**

Establishing a standardized framework for collective bargaining across the oil and gas sector would ensure consistent labour conditions for all workers, regardless of employer. By adopting a centralized bargaining model, Nigeria could reduce discrepancies in wages, working conditions, and benefits across companies.<sup>46</sup> A centralized framework would also strengthen unions' bargaining power, as employers would face a unified labour front, making it harder to avoid industry-wide standards.

### **Prioritize Health, Safety, and Environmental Standards in Bargaining Agreements**

Given the hazardous nature of the oil and gas industry, unions should prioritize health, safety, and environmental protections in collective bargaining agreements. Employers must be encouraged to invest in workplace safety measures, as these not only protect workers but also reduce costs related to accidents and health issues.<sup>47</sup> This focus on safety could be supported by incorporating health and safety standards into national labour laws, ensuring that these protections are not just bargaining points but legal requirements.

### **Leverage Technology to Support Union Operations and Member Engagement**

Unions should embrace digital tools for organizing, communication, and member engagement. Technology can help streamline union operations, facilitate rapid responses to labour issues, and enhance mobilization efforts.<sup>48</sup> For instance, mobile applications could allow members to stay informed and participate in union activities from any location, a critical feature for offshore or remote workers in the oil and gas industry. This modernization would empower unions to negotiate more effectively and remain agile in the face of industry challenges.

### **Foster Collaborative Engagement through Joint Advisory Committees**

A collaborative approach involving unions, employers, and government agencies can foster mutual understanding and constructive dialogue. Regular engagement on labour issues through joint advisory committees or stakeholder forums can help address challenges before they escalate. This proactive approach would reduce industrial disputes, enhance worker satisfaction, and contribute to a stable labour environment.

Implementing these recommendations would create a more robust collective bargaining framework in Nigeria's oil and gas sector, enabling unions to advocate effectively for workers while promoting fair labour practices that support industry growth.

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<sup>45</sup> EV Emeihe, EI Nwankwo, MD Ajegbile, JA Olaboye and CC Maha, 'The Impact of Artificial Intelligence on Regulatory Compliance in the Oil and Gas Industry' (2024) 7(1) International Journal of Life Science Research Archive 28-39.

<sup>46</sup> I Omolabi, A Salman, AA Ishola and AK Abdulkareem, 'Collective Bargaining and Minimum Wage Determination in Nigeria' (2021) 18(5) e-BANGI Journal 66-78.

<sup>47</sup> FJ Afolabi, P de Beer and J A Haafkens, 'Can Occupational Safety and Health Problems Be Prevented or Not? Exploring the Perception of Informal Automobile Artisans in Nigeria' (2021) 135 Safety Science 105097 <<https://doi.org/10.1016/j.ssci.2020.105097>> accessed 27 October 2024.

<sup>48</sup> Ishiwatari, Mikio. 'Leveraging Drones for Effective Disaster Management: A Comprehensive Analysis of the 2024 Noto Peninsula Earthquake Case in Japan.' Progress in Disaster Science (2024): 100348 <<https://doi.org/10.1016/j.pdisas.2024.100348>> accessed 27 October 2024.