The Impact of Restructuring, Liberalisation and Privatisation on Employment Relations in Developing Economies: A case study of the Nigerian Electricity Distribution Sector

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The candidate confirms that the work submitted is her own and that appropriate credit has been given where reference has been made to the work of others.
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Abstract

The central objective of this thesis is to present a detailed account of liberalisation and privatisation and its employment relations implications within the context of a sub-Saharan African country, Nigeria. While there are many comparative accounts of privatisation and employment relations, more academic interest is required to understand how a trade union’s conceptualisation of a strategic response during the privatisation process influences employment outcomes between the survivors of privatisation and recruits.

The context of this study is the privatisation of the Nigerian Electricity Distribution Sector (NEDS) between 1999 and 2013, with a specific focus on three distribution companies, Qwest, Exon and Kank. To develop the historical, political and geographical contexts of the electricity sector, the study also considered previous reforms and associated industrial relation processes between 1940 and 1990s.

The research took the form of a qualitative, embedded case study strategy. Findings show that reforms in the NEDS between 1940 and 2013 relied on a rather narrow government framework for political dominance within the sector’s collective bargaining framework. The union’s response to this constricted political agenda was unstable and reactive. This resulted from its ideological perspective, internal divisions, and political and regulatory constraints, which weakened its attempt to conceptualise an effective strategic response both during and post-privatisation. Even with the initiation of a ‘Labour Based Agreement’ (LBA) between the government and union in 2011 which promised job security and continued union involvement in the employment relations of the sector post-privatisation, the union was still unable to gain effective involvement in sector employment relations processes. This was because of the absence of both a supportive regulatory framework and prospective investors during the negotiation of the LBA. The internal division that emerged between employees, local union representatives and the union leadership also weakened the union’s bargaining power, as most employees and local representatives questioned the reliability of LBA, especially post-privatisation.

In conclusion, findings demonstrate that privatisation and the inability of the union to conceptualise a strategic response resulted in an atomised employment relations within the sector with a near absence of collective bargaining, directly contradicting the ostensible intent of the Labour Based Agreement. Therefore, privatisation and implementation of the LBA depended not only on the political objective to privatise and institutional limitations within
the political economy, but the union’s inability to conceptualise an effective strategic response to the process.
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Abbreviations

ECN: Electricity Corporation of Nigeria
EPC: Electric Power Committee
EPPS: Electric Power Policy Statement
EPSRA: Electricity Power Sector Reform Act
ERC: Electricity Regulatory Commission
FDI: Foreign Direct Investments
JLC: Joint Labour Committee
LBA: Labour-Based Agreement
NA: Native Authorities
NCP: National Council on Privatisation
NDA: Niger Dams Authority
NEDS: Nigerian Electricity Distribution Sector
NEPA: National Electric Power Authority
NEPP: National Electric Power Policy
NESC: Nigerian Electricity Supply Company
NIPP: National Integrated Power Project
NLC: National Labour Committee
NPA: National Power Authority
PEA: Public Enterprises Authority
PHCN: Power Holding Company of Nigeria
PWD: Public Works Department
PPT: Partnership Problem-Solving Team
RFP: Request for Proposal
SAP: Structural Adjustment Programme
SRM: Strategic Realignment Model
TCPC: Technical Committee on Privatisation and Commercialisation
TFP: Task Force on Power
ZEA: Zonga Electricity Association
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Chapter 1

Privatisation and Employment Relations

1.0 Introduction

This is a study of employment relations implications of an organisational change in the form of the privatisation of a public enterprise in a sub-Saharan African country: Nigeria. The exploration of the process of privatisation and its employment relations implications was approached through a case study of the Nigerian Electricity Distribution Sector (NEDS). The choice of the electricity distribution sector, a part of the electricity sector (generation and transmission) was made because of the historic monopoly and political interference that dominated the sector; an understanding of the political resolve, which influenced the pace, design and implementation of the privatisation process and employment relations decisions, was significant for this research. Building on the examination of the government’s privatisation objectives and the union’s response to the process, this study aims to explore how these processes influenced the employment relations outcomes, from a sector level perspective and the multi-level reality experienced by survivors and recruits in the privatised sector.

Research undertaken at the national policy level (macro-level) was supplemented by the in-depth study of three distribution companies (Qwest, Exxon and Kank) (meso-level) within the Nigerian electricity distribution sector. The choice of these three cases in the distribution sector was based on a range of characteristics, including their regional location and political characterisation; organisational size and coverage; union membership; strategic importance in the electricity sector; and the manner of their implementation of the Labour Based Agreement (LBA) that accompanied privatisation. The research methodology used for this study is one that allowed movement across the macro and meso level to achieve a coherent narrative from different sources of data. In addition to the use of a diagram elicitation approach, the research conducted 117 intensive semi-structured interviews and obtained information from secondary sources for a broader political and economic context.
1.1 Objectives of the Study

This research focuses on the impact of privatisation on employment relations in the Nigerian electricity distribution sector. The thesis contextualises this investigation through an assessment of the historical trajectory of reforms in the Nigerian electricity distribution sector from 1940 to 2013. The focus is to consider the underlying political interest that informed the reforms (the 1940s and 1990s) and the development of employment relations, influenced the pace, design and implementation of the privatisation process (1999-2013) in the electricity sector and the union’s responses during and post-privatisation, with recommendations made for improvement.

The Lagos state-owned power company was established in 1896, while Nigeria was still under British colonial rule. Nigerian independence was achieved in 1960 when colonial rule was replaced by the first democratically government led by Prime Minister Tafawa Balewa. Following a coup against the democratic regime in 1966, the period of military rule lasted 33 years until democracy was re-established in 1999. The elections in 1999, however, served to reappoint the existing military leader, with a new democratic mandate. It was not until the elections of 2007 that Nigeria had its first non-military leader in a generation, President Yaradua. In 2010, President Yaradua was succeeded by his Vice-President, Goodluck Jonathan, who remained in power until 2015, and was thus the incumbent President during much of the recent economic restructuring covered in the thesis.

The reforms which the colonial, democratic and military regimes undertook between the 1940s and early 1980s, were based on the premise that the state’s involvement in the electricity sector remained the best solution to the operational and management issues. Based on this political ideology, the government's attempts for network expansion, management restructuring and economic policies, sustained the debate of a direct link between political dominance and regional representation and improved performance in the sector. Even with the Privatisation and Commercialisation agenda promoted by the Babangida military regime in 1988, the government still dominated the reforms and the employment relations framework. A similar political ideology re-emerged with the return of the democratic regime in 1999, which, despite promises of union involvement, the government introduced legislation that promoted its underlying political interest to privatise the industry, and to dominate the collective bargaining framework throughout the privatisation process between 2000 and 2013.
Although there is a long history of political interference within such reforms, the research addresses the underlining political interest in the sector which focused on infrastructural advancement through the private sector more than the employment relations implications. Even when in the year 2010, the government through the Task Force on Power (TFP) began its negotiations with the Zonga Electricity Association (ZEA- sector-based union) for possible labour arrangements on issues such as pay-outs and job security, the TFP primary debate aligned with previous government’s premise that privatisation automatically equated to better employment relations. The TFP in their initial communication to the ZEA asserted that privatisation equated to performance, network expansion and guaranteed job security. Because of the historically antagonistic relationship between the government and the union throughout previous reform processes, more insight is needed into the change in a political ideology following the privatisation of the NEDS, which led to the development of the ostensibly more inclusive Labour Based Agreement (LBA). The study explores whether the government’s policy decision to negotiate with the union through a structured collective bargaining process in 2010, and its introduction of the TPF and the LBA, were initiated to achieve its underlying political objective to privatise, or as a strategy to protect employee voice during and after the privatisation process.

1.2 Scope of the Study

The scope of this research covers complex interactions at the macro and meso levels. In this analysis of change, an in-depth study is required, because of the historical relations between the government and the union, the multi-level institutional dynamics and the legislative gap which emerged in the LBA. The gap is that the LBA was signed without the involvement of the prospective new employers and without any legislation to protect the agreement in the case of a breach, or changes within the organisational dynamics and the external political economy. The study seeks to examine the underlining political objective to privatise, how the LBA was reached, the competing rationales during negotiations, and its varied interpretation between the stakeholders (government, investors and the union).

The primary scope of the study will reflect the macro (government agencies, ZEA and the regulator) and the meso levels (employees, local union representatives and non-union members) interpretation of privatisation and employment relations implications. Particularly on privatisation and the LBA, there is a need to trace the historical reform processes that shaped the development of the electricity sector and how this influenced the privatisation
debate. This became highly important given that President Olusegun Obasanjo, who initiated the privatisation in 1999, was previously a military Head of State between the 1976 and 1979. Therefore, the study explores the extent to which the autocratic military approach to privatisation and employment relations influenced the collective bargaining framework between 1999 and 2015.

1.3 The Background and Context of the Study

The adaption of the Bretton Woods Institutions (World Bank and the IMF) debate on the need to reduce government interference and promote economic efficiency, promote share ownership, competition and raise revenue for the state through privatisation, has dominated the debate around industrial restructuring in developing countries (Brada 1996; Bortolotti et al, 2004; Megginson and Netter 2001). The impact of this neo-liberal ideology led to the divestment of most public enterprises in Nigeria, espoused for enhanced economic efficiency and decreased government intervention. All reforms were based on the premise that privatisation would eliminate the nationalistic, interventionist and redistributive character dominant in the electricity sector, which was portrayed as being partly responsible for the sector’s dwindling service delivery and contributing to the country’s poor economic performance. The challenge, however in the Nigerian context, was that while proponents of this privatisation policy, in general, were ideologically oriented towards a conservative political, economic agenda that favoured a robust marketplace, they failed to recognise that the rationale to privatise in most developing countries was, however, more complex than traditional market-versus-state considerations might suggest.

Moreover, in the Nigerian economy, the theory of privatisation cannot be discussed without an understanding of how the economics of ownership, the historic role of the different governments (colonial, military and democratic regimes) in the management and operation of the Nigerian Electricity Distribution Sector (NEDS) and the development of employment relations in the sector influenced reforms in the sector before the year 1999. The emphasis on the role of the state and the politics of reform, in this context, goes beyond the debate on the transfer from public to private ownership or the direct comparison of private versus public ownership of enterprises (Laffont and Tirole 1993; Megginson and Netter 2000). Instead, more emphasis was given to the principal-agent relationship that informed the privatisation process, and the suitability and practicality of this policy within the Nigerian political economy. Even though the underlining political debate about privatising the NEDS reiterated
the general premise that the transfer from public to the private sector would promote performance, there is a need to explore the underlining historical interpretation of the process and how that predetermined the event of privatisation. Hence, the thesis will explore the privatisation process in a way that goes beyond the public versus private sector debate and examine the government interference, which replaced efficiency with political dominance and regional representation within the sector.

The processes of reform in the electricity distribution sector and the level of government intervention in its operational and management decisions have evolved through different political regimes, from its inception in 1898. Therefore, any discussion on privatisation and employment relations outcomes must involve a multi-level interpretation of historical legacies of government-union interaction, union power, financial autonomy and regime type. Such a perspective is imperative because as the Nigerian government initiated its privatisation agenda in the NEDS, it failed to recognise and address ‘how’ and ‘why’ previous reforms failed to achieve the required ‘successes’. Which meant that rather than initiate a comprehensive analysis of the Nigerian political economy and how that influenced previous reforms and the operational challenges in the sector, the government directly transferred and adopted the acclaimed ‘success’ model promoted by advocates such as the IMF and World Bank. Therefore, the Nigerian government’s policy to privatise the NEDS was based on an abstract reality, and the assumption that since the transfer of resources from public to private ownership would promote efficiency in the sector, it should be acceptable by all stakeholders, including the union.

1.4 The Nigerian Electricity Distribution Sector in Context

The availability of reliable electricity distribution to businesses and homes in Nigeria is a programme that has been approached with so much hope historically and yet has experienced frustration over the decades. Various regimes (colonial, democratic and military) between the 1940s and 1990s invested billions in addressing the operational and management challenges that have characterised the sector and yet, achieved limited success. Over the past four decades, challenges such as mismanagement, political interference and corruption have stalled the expansion of the nation’s grid capacity, which constrained the sector’s development. There was also the issue of the so-called Nigerian factor\(^1\), together with the

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\(^1\) The Nigerian factor is a common term used to describe institutional challenges that hinders efficiency in the management and operations within the public sector such as the electricity sector. The outcomes include over-
high cost of alternative power supply, such as the use of generators and solar power systems, which crippled economic growth, stifled recruitment and skill development needed to achieve the required efficiency in the sector.

Starting from the first power company in the country in 1896 in Lagos, down to the eleven distribution companies across the thirty-six states of the country, various government regimes (colonial, democratic and military) between the 1940s and 1970s, attempted to restructure the distribution networks. These reforms were based on the premise of public good and the assertion of a direct relationship between the nation’s economic growth, national security and adequate provision of electricity supply through state involvement (Chika 2002). Frustratingly, for a country rich in natural and human resources, the NEDS lacked the infrastructural and operational structures required to push the nation’s economy into wealth. As such, the country with a population of over 160 million people, had one of the most significant electricity supply-demand gaps in the world during this period.

Following the 1970s oil crises and over 800 billion naira in government investment, which had no significant impact as the sector continued to accumulate direct and indirect costs associated with its operational performance (Obaji 1999; and Salako 1999). Even with the 1988 reform by the regime, which introduced the Structural Adjustment Programme (SAP) and the Privatisation and Commercialisation Decree (1988) in the sector by the Babangida military government, the sector continued to suffer from shortages in electricity distribution. Available statistics indicated that Nigeria’s per capita electricity consumption was less than 7% of Brazil and 3% of South Africa. For Brazil with a capacity of 100,00MW for 201 million people and South Africa with 40,000MW for a population of 50million, Nigeria supply ratio stood at 3,500MW for a population of 160million people (Okafor 2008; Sambo 2008).

In response to this dwindling power supply in the country and institutional challenges, in 2001 the Olusegun Obasanjo’s administration (1999-2007), introduced the National Electric Power Policy (NEPP) and subsequently the Electric Power Sector Reform Act (EPSRA) in 2005, which proposed the restructuring and privatisation of the sector. At the inauguration of the Council on Privatisation in August 1999, the President, Olusegun Obasanjo, articulated how two decades of military rule left the power sector in a condition of total collapse and
pressed the need for the complete rehabilitation of the sector and its disintegrating infrastructure. The subsequent government also consciously aligned these policies with its broader macroeconomic agenda in the year 2007. The Yaradua/Jonathan (2007-2010) macroeconomic agenda supported the political perspective that privatisation was the solution to the dwindling performance in the NEDS, which in turn would be a panacea for economic advancement in the country. This macroeconomic debate, articulated through the Vision 20:2020\(^2\) agenda, also resonated with the broader macroeconomic stabilisation plan in other Sub-Saharan African countries such as South Africa and Kenya, for private sector participation that guaranteed long-term growth and development.

In the Vision 20:2020, the government outlined what it considered to be its macroeconomic projections that would propel Nigeria into the league of the top 20 global economies by the year 2020. The government maintained that the Vision 20:2020 macroeconomic policy projection was only possible through Foreign Direct Investments (FDI) in terms of management and ownership of specific public enterprises such as the NEDS. The objective of the privatisation as defined by the government in its macroeconomic agenda was to revive an economy considered as the biggest in the West Africa sub-region, even though it was yet to achieve its economic potential. The development and budgetary plan introduced through the Vision 20:2020 road map motivated FDI into the private sector (FGN 2010). Even with this, the macroeconomic policy agenda failed to recognise the need for a strategy cognisant of the complexity of the firm-level characteristics of the NEDS and Nigerian political economy. Instead, government policy projections\(^3\) maintained that private sector takeover of public enterprises would reduce the financial burdens in the economy with no reference to the practicality of this policy within the political economy in the country.

Another critical issue which these reforms failed to recognise was the importance of industrial relations during the reform. The past democratic and military administrations-initiated reforms developed a direct link between their political interest for regional representation at the management and operational levels, and their plan for improved

\(^2\) This policy involved a strategic plan that cut across social-economic, institutional and environmental developments that could only be feasible in a country with sustainable electric services.

\(^3\) The earlier legislative projections such as the National Electric Power Policy (2001), Electric Power Sector Reform Act (EPSRA) of 2005 and the Roadmap for Power Sector Reform (RPSR) 2010 continued along the line of fulfilling the political and economic objectives for privatisation with no recourse to the industrial relations implications.
performance in the sector. The framework that emerged through the reforms, which represented a policy gap in the management of employment relations, was made possible by the hostile industrial relations environment created by the government. Especially during the military regimes between the 1970s and the 1990s, the government’s authoritarian approach to reform resulted in industrial conflicts, which in the year 1990, led to several political arrests of some union leaders and an outright ban for others who opposed the government’s approach to industrial relations.

The struggle for union recognition in the reform process continued even following the return of the country to a democratic government in 1999, and the decision to privatise the NEDS. The union’s opposition to privatisation was triggered by the government’s approval of the Electric Power Sector Reform Act (EPSRA) in 2005, which not only allowed for the privatisation process but also relegated the discussion on employment relations to government-appointed managers within the NEDS. The ZEA’s response to the legislative policy changed over time between 2001 and 2010, involving a series of opposition campaigns which challenged the notion of privatising the electricity distribution sector. In their opposition campaigns and negotiations that occurred through the union’s consultation channels (national, region, zonal and chapter) with the government, social media and radio jingles, the ZEA questioned not just the underlining political objective to privatise but disagreed with the government’s position that privatisation was the solution to dwindling performance. In its publication of June 2002, titled the ‘Real Issues in the Electricity Distribution Sector’, the ZEA raised issues with the design and pace of the processes, and the Electric Power Sector Reform Act’s (2005) assertion of a direct link between privatisation and employment relations in the sector. Having rejected the policy propositions for privatisation, the ZEA made recommendations for alternatives, including sustaining state and ZEA involvement in the management of the sector, which had gradually disappeared due to outright rejection by the government.

The ZEA response to the privatisation process was far from strategic, as it relied on the belief that its traditional ideology of the right to strike, and the willingness of its members to take collective action, would counter management’s decisions (Kelly 1996). Such an approach by the ZEA failed to recognise the changing political economy, the firm-level characteristics, structural and socio-political developments and the broader institutional settings evident during privatisation (Mackenzie 2009; Martinez Lucio and Stuart 2004).
The change in the government’s policy towards industrial relations allowed for the relegation of the union to mere participants in the Electric Power Committee (EPC) process in 2010. The process began with the policy proposal by the Chairman of the Privatisation Council, Dr Ogashi, who in his communication to the president stated that;

There is no doubt that labour is a major obstacle to the successful implementation of the electricity sector reform. Labour union officials have made it clear that they will not willingly cooperate with the government in reforming the electric power sector. On several occasions, they have prevented investors and consultants from having physical access to power plants, offices and equipment. If the electric power sector reform Roadmap for Power Sector programme would be successful, the government must take urgent steps to resolve labour issues.

(FGN 2010).

Following this Dr Ogashi report, which was also made public, the Federal government inaugurated the Task Force on Power (TFP) committee in 2010, the first strategic attempt by the government to resolve labour concerns with the privatisation process. The TFP introduced a joint negotiation process between the ZEA and various government agencies (TFP, EPC and PEA), which finally led to the 2011 Labour-Based Agreement (LBA). The LBA was a contract between the government and unions (with no involvement of the private investors), which promised that employee voice and interest would be protected during and post-privatisation. This government-union agreement was reached based on the understanding that the success of privatisation required a comprehensive understanding of the firm-level strategies, socio-political challenges and employee’s commitment to the process. What the agreement, however, failed to consider was the absence of legislation that would mandate the involved parties (government, investors and the union) to review the agreement in line with any changes within the political economy, especially in the privatised sector. Such a review option was essential, mainly because as the private sector was not a party to this LBA, the agreement’s long-term objective for union involvement in the privatised sector eventually conflicted with the organisational objectives in these companies. These policy
gaps within the LBA raised concerns over how the agreement would be interpreted and implemented in the privatised sector.

The long-term processes led to privatisation, and several government policy initiatives and union responses outlined above led to the following research questions. What was the underlying political objective to privatise, and what factors determined the process? How did the government’s communication of privatisation and the union responses between 2000 and 2011 influence the collective bargaining framework for the LBA? What were the competing rationales during the LBA negotiations? How did the implementation of the LBA vary between companies and why? Finally, to what extent did the LBA protect employee voice or was it just a policy strategy by the government to achieve its political objective to privatise and why?

1.5 Structure of the Thesis

Chapter 2 examines debates on the development of public enterprises, the role of the state, and whether ownership does matter in terms of performance in the enterprises. The question of ownership in the Nigerian context was in direct response to the acclaimed ‘successes’ by advocates who argue that the transfer of public to the private sector would achieve efficiency and better working conditions on the long-run (Hall and Nguyen 2017; Jamasb 2006; Newbery 1999). The debate around privatisation and union response in this context recognises the political economy in which the sector is embedded into and how that influences the union power dynamics, union responses and survival.

Chapter 3 explains and justifies the methodological framework adopted in the research. Adopting an empirical analysis that is both qualitative, exploratory, and within a case study design, the research discusses how the research design is appropriate for addressing the research questions. This includes methodological considerations in terms of the ontology and epistemological beliefs and justification of the case study framework that informed the research design. The data collection, the data analysis process and an assessment of the credibility of the data are reviewed with a deliberation on possible ethical considerations.

In order to provide a background for the study of the electricity distribution sector, Chapter 4 looks at the broader political context provided by the historic reforms in the electricity sector between the 1940s and the 1970s. The analysis at this stage considers the operational and management decisions of various government in the electricity sector. The focus, to
understand how their political dominance, infrastructural expansion and regional representation strategy through a centralised framework during the reform processes, impacted performance in the sector. Through a brief review of the historical reforms between 1940 to 1970s, the chapter explores the debate which supported the assertion that state involvement remained the best solution to the operational and management issues and how that played out in subsequent reforms.

The chapter concludes with a holistic analysis of the political interpretation of the indigenous state’s concept of the reforms between the 1940s and the 1990s, the role of the state in the process and how this historical-political framework evolved into the privatisation debate initiated between 1999 and 2013.

Chapter 5 provides a background analysis of the democratic government’s (Olusegun Obasanjo/Atiku) announcement to privatise the electricity sector, and the broader policy challenges, particularly at the macro level. The chapter begins with an examination of the political, macroeconomic and labour debates that emerged following the government’s reintroduction of the policy initiatives to privatised the NEDS in 1999.

Starting from the initial communication by President, Olusegun Obasanjo in 1999 and subsequent communication and campaigns by the EPC, the Public Enterprise Agency (PEA) and the Vision 20:2020, it was apparent that the government created a direct link between its political and macroeconomic agenda and the privatisation of the NEDS. The macroeconomic policy was also supported by the Electric Power Sector Reform Act (EPSRA) and the Labour Act (amended) 2004, which relegated the role of the union to mere observers in the process.

The chapter examines the union’s reactive response to the privatisation, a process they considered as a mismatched agenda for the NEDS. The union raised questions about the government’s proposed transparency in the privatisation process, political interference and alternatives to the reform. In their response to these questions, the union proposed alternatives such as private-public ownership, union involvement at the management level, strategic investment and liberalisation as the solution to the dwindling supply in the NEDS. The union’s focus on these alternatives was in response to what they considered to be the real issues in the sector such as corruption, mismanagement and politically inclined investment with no recuse to their efficiency in the sector.

Following the negotiations between the government and ZEA between 2001 and 2013, in response to their opposing interest in the privatisation process, the chapter explores the
transparency, validity and state-led campaigns and promises on privatisation. While most union representatives commended the government-labour consultation, others also raised questions on the underlining political agenda for the policy change. Mainly because of the government’s approach to the collective bargaining process, which aligned more with the historical framework for political dominance than the drive for efficiency. Hence the question, why and to what extent did the government engage directly with the union given gaps in the legislation underwriting privatisation?

In Chapter 6, the thesis examines the repositioning plan of the government and the capital-labour negotiations as they framed the future of work in the sector. The chapter examined the extent in which the collective bargaining negotiation and policy repositioning by the government was able to secure the union’s agreement for collective bargaining across four levels (national, sector, regional and chapter).

While the government, in its initial repositioning agenda, showed interest to sustain industrial relations during and post the process; the TFP agency failed to outline a clear implementation strategy. Instead, its initial consultation strategy with the union-aligned more with the traditional adversarial negotiation process of previous governments from 1960 to 2007, where the government dominated the employer and regulatory positions. The outcome of this unbalanced power relationship which empowered the employer to make employment-related decisions with or without the union.

Given organisational changes and seemingly unending strike action by the union in response, the research explores how the government’s approach to privatisation and labour relations evolved through the collective bargaining channels. The outcome was the Labour Based Agreement in 2011. Whereas the LBA may have indicated success for the ZEA because of its promise of guaranteed job security pay-outs and entitlements, career progression and skill development, the gaps within the legislation were apparent. The policy gaps, such as the inability of the regulator to enforce the LBA terms at the macro and company levels raised concerns among most union representatives on the practicality of the agreement in the privatised sector. The chapter concludes that privatisation and industrial relations in developed and developing countries such as a sub-Saharan Africa country like Nigeria involves a multi-faceted approach, driven by underlining political, economic and socio-cultural interests, often reflected in the autocratic approach to governance. In the Nigerian context, industrial relations presented a mixed-outcome challenged the debate on regime type
(Huntington and Nelson 1976; Paczynska 2007). The analysis, however, argued that the notion that democratic governments involvement with the unions is required to avoid electoral defeat, cannot be generalised (Biaglaiser and Danis 2002), but considered within the context of the political economy.

Chapter 7 examines the transfer process of the unbundled NEDS to the private sector, which involved the finalisation of the LBA terms. The discussion then moves on to the bidding process, the handover of the 60% shares of the distribution companies to the private investors, the narrow policy agenda and union response to the process. The debate by policymakers at this stage was based on the general premise that the transfer from public to private would automatically result in the full implementation of the policy of LBA. This policy premise overlooked not only the policy gap within the agreement but also the possibility of the contract being breached by either of the parties (government, union and the employers). Following the transfer of assets to the private sector in 2013, the chapter examines the operational response of the Exon, Kank and Qwest distributions to industrial relations, which involved an internal but restrictive top-down consultation approach with no recourse to the union.

The chapter explores how instances of political instability (due to the election process) and economic challenges (weak ‘naira’ exchange rate, funding for the private sector) and the issue of data disparity (the difference between data provided during the bidding phase and the reality), had far-reaching implications for the LBA in the sector. Hence this question, what were the competing rationales during the LBA negotiations? How did the implementation of the LBA vary between companies and why? The chapter concludes with an assessment of the ZEA renegotiation and survival strategy, which attempted to recognise the changing nature of work in the privatised companies. The ZEA attempt to a strategic approach to industrial relations came at a time where the existing labour legislature constrained its effectiveness. Even with its effort to reconceptualise industrial relations in the sector, the union’s ideology still revolved around a dichotomous approach (militancy and partnership) which posed a challenge to its survival because this traditional framework may not be suitable in the decentralised sector.

In Chapter 8, the key themes of the research are drawn together by highlighting the institutional divide identified in the research, in terms of the ‘policy’ and ‘actual’ interpretation of privatisation. The chapter engages with the political ideology to reform, the
interpretation of industrial relations, dynamics of the LBA and the reality of privatisation at the meso level. The dynamics of the multi-tier industrial relations changes that occurred within the sector can only be understood from a perspective, including historical context, hence the trajectory approach to the study of industrial relation implications. Furthermore, despite the various interpretations of privatisation in the Nigerian electricity sector and its industrial relations implications, every mile of the process reflected the Nigerian government underlining political ideology on privatisation. The chapter concludes with an exposition of my thesis.
Chapter 2

Privatisation and the Labour Response: A Review of Debates

2.0 Introduction

Not long after the Nigerian government made its policy intent on privatisation known in the year 1999, the sector-based trade union (ZEA-Zonga Electricity Association) and the government became entangled in a web of debates and counter debates on the impact of the proposed policy on Industrial Relations (IR) for the post-privatised Nigerian Electricity Distribution Sector (NEDS). The ZEA raised deep and sincere concerns on the uncertainty of the regulatory framework, the political undertones that predetermined the drive to privatise and their overall implication on the future of work in the privatised sector. The ZEA’s focus on political undertones was in response to historical political reform measures between the 1940s and 1990s, which resulted in limited success in terms of efficiency and employment conditions in the sector.

The research objective of this thesis is to contribute to the understanding of this contested and complex political interpretation of privatisation and its employment relations implications, specifically in a sub-Saharan African country like Nigeria. This is considered necessary because many studies have contributed to the ‘rationale’ for the privatisation of public enterprises (Bacon and Besant-Jones 2000; Eberhard et al. 2008; Jamasb et al. 2005; Kirkpatrick et al. 2006; Newbery 2000) and the impact of the process on the efficiency of those enterprises. Hence, more in-depth study is required to explore the employment relations implications not just at the sector level, but between and within individual company levels (Colling and Ferner 1995; Haworth and Hughes 2000; Paczynska 2007; Pendleton and Winterton 1993). Hence, the need for more academic attention that explores not just privatisation and the industrial relations implications but also the relationship between the political interest to privatise and the employment relations outcomes. The research is based on the premise that there is no generic characterisation of public enterprise, the drive to privatise and the industrial relation implications, especially in sub-Saharan African countries. This reflects the peculiarity of institutional development, political dominance and corresponding influence on the design, scope, pace and implementation processes which differ between countries.
In this study of privatisation, therefore, the focus is to explore IR implication from a single level (sector level) perspective, and the possible multi-level (within and between the unbundled companies), interpretation, especially in post-privatisation. In this context, the research aims to explore the possibility of multi-level outcomes of industrial relations at the meso level (company level) and how they differ between companies within the sector. This conceptualisation partly aligns with Schulten et al.’s (2008) observation of a two-tier industrial relations regime in their study of six countries and four sectors in Europe, where survivors and recruits of privatisation received different terms of employment. The outcome in Schulten et al. (ibid) research differed from earlier projections by the Nigerian government as stipulated in the Electricity Power Sector Reform Act 2005 (2005)⁵ (BPE 2005; NERC 2007). Both cases (Nigeria and Europe) were faced with the challenge of labour cost reduction, which led to the transfer of the market pressure to survivors of the process. In the Nigerian context, this challenge existed despite the presence of the five characteristics of the traditional labour relations regime such as strong union positions and density, centralised bargaining structure, low degree of wage dispersion, long-term employment relationship and instrument of employment policy (Corby and White 1999; Keller 1993; Schulten et al. 2008).

In the context of this research, the notion of a two-tier industrial relations regime involving survivors and recruits as indicated by Schulten et al. (2008) in a sub-Sharan African country like Nigeria, should first consider the peculiarity of its political, economic, regional and socio-cultural institutions (Schregle 1992; Van der Hoeven and Sziraczki 1998). Secondly, how such a political economy evolved and influenced the design, scope and institutional arrangements that regulated the collective bargaining negotiation within the sector.

In the Nigerian electricity sector, the government’s attempt between the 1940s and 1990s to restructure and improve the deteriorating electricity distribution services in Nigeria achieved only limited success. The sector between the 1980s and 1990s experienced high energy losses (non-technical and technical) and high operating cost (more than 80% recurrent expenditure on salaries and allowances) (Oni 2013). These problems in the Ministry of Power and the sector-based union (ZEA), were attributed to corruption at management level, mismanagement of resources, poor infrastructural development and dwindling skill

⁵ The Electricity Power Sector Reform Act 2005 provides for the formation of companies to take over the functions, assets, liabilities and staff of the electricity sector, the development of competitive electricity markets and establishment of the Nigeria Electricity Regulatory Commission. The Act provides a clause which stipulated that all employees in the sector irrespective of their status would not be given new employment contracts that were less favourable than their previous contracts (EPSRA 2005).
development in the sector (Adedeji 2017; Beaumont 1992; Hemming and Mansor 1988; Ugorji 1995). In response to the dwindling power supply in the country and institutional challenges in 1999, the government introduced the political debate which advocated for the privatisation of the electricity distribution sector. This policy debate was supported by the Electric Power Sector Reform Act (EPSRA) of 2005, and the macroeconomic policy termed the “Vision 20:2020”, introduced in the year 2007. Although these political and macroeconomic debates aligned with the World Bank’s projections that private sector takeover of public enterprises would increase efficiency, they failed to introduce a strategy inclusive of the complexity within the political economy in which the sector is embedded.

The ZEA’s response to these debates between 2000 and 2010, involved a series of opposition campaigns which challenged the notion of privatising the electricity distribution sector. In their opposition campaigns and negotiations that occurred through its communication channels (national, region, zonal and chapter), social media and radio giggles, the union questioned not just the underlining political objective to privatise but also disagreed with the government’s position that privatisation was the solution to dwindling performance. In the ZEA’s June 2002 publication, ‘real issues in the electricity sector’, it raised issues with the design, pace of the processes, and the EPSRA projection of a direct link between privatisation and improved conditions of service in the sector. Having rejected the policy propositions for privatisation, the ZEA recommendations for alternatives which included, the state and ZEA involvement at the management level, gradually disappeared due to its outright rejection by the government. The government’s final response to the conflicting interests (state and labour), resulted in joint negotiation between the ZEA and government agencies (TFP, EPC and PEA) in 2011 termed the Labour-Based Agreement (LBA). The LBA short-term and long-term objectives promised that employee ‘voice’ and ‘interest’ would be protected during and post-privatisation. While this agreement seemed solid in terms of protecting job security, career progression, wages, training and development, it introduced a policy gap because it failed to include a clause that would enable its enforcement and sanctioning in the case of a

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6 In this Vision 20:2020, the government outlined what it considered to be economic projections that would propel Nigeria into the league of the first global 20 economies by the year 2020. The government maintained that the Vision 20:2020 economic policy projection economic was only possible through Foreign Direct Investments (FDI) by the private sector in terms of management and ownership of key public enterprises such as the electricity distribution sector (Eneh 2011).

7 The government-labour negotiations between 2001 and 2011 involved different government agencies involved in the privatisation process. The Electricity Power Committee (EPC) and the Public Enterprise Agency (PEA) were involved in the negotiation for privatisation and labour-related concerns.
breach. The presence of this policy gap and the ‘absence’ of regulatory sanctions could allow for varied interpretation and implementation of the LBA in the privatised sector. Therefore, in terms of privatisation and industrial relations, there is a question of transparency on the part of the government in its negotiation with the union. Especially in a sub-Saharan Africa like Nigeria, where industrial relations are underdeveloped, there is a question of whether the collective negotiations between the government and unions between 2001 and 2011, which resulted in the LBA was intended to protect employee voice and interest in the sector or was it just a strategy by the government to achieve its political objective to privatise?

This chapter begins by examining questions on the development of public enterprises, the role of the state, and whether ownership does matter in terms of performance in the enterprises. The question of ownership of public enterprises in the Nigerian context was in direct response to the acclaimed ‘successes’ by advocates who argue that the transfer of public to the private sector would achieve efficiency and better working conditions in the long-run (Hall and Nguyen 2017; Jamasb 2006; Newbery 1999). This is then followed by debates on the rationale for privatisation, the government decisions to privatise and its implication within the context of sub-Saharan Africa. The debate on the privatisation of public enterprises in developed and developing countries in this research moves beyond the idea that the change of ownership results inefficiency, to explore how institutional peculiarities such as political, economic, socio-cultural activities within the country predetermine outcomes. The focus then moves on to the notion of uniformity to diversity in terms of trade unions response to these changes and the possibility of multi-level implications. The chapter explores the notion of union response to privatisation not necessarily from the point of a dichotomous approach (militant and cooperation), but from a more dynamic approach that recognises the influence of the political economy on the union power dynamics, union responses and survival. Finally, the chapter’s emphases on post-privatisation aims to develop a conceptual framework to understand further possible dynamics that occur as the union attempted to reconceptualise its response and survival in a privatised sector. In the case of sub-Saharan Africa, the question of uniformity and diversity of industrial relations and the prevalence of the trade unions response is beyond political regimes (authoritarian or democratic) or union power dynamics. There is need to explore the political dominance and institutional limitations especially in countries where the government dominates the employment relationship and how they influence the union's ability to conceptualise their response to privatisation effectively.
2.1 State Intervention in Public Enterprises:

2.1.1 The Concept of Public Enterprises

The creation and proliferation of public enterprise, particularly in developing countries after the post-war II period was motivated by the drive for industrialisation. The definition of public enterprise within this economic context was based on the notion that it contributes to the social development, political stability and economic growth in these countries. The characterisation of public enterprises within this context is in line with another interpretation which described them as institutions that allowed for state intervention, control, regulation and management of the economy. (Hemming and Mansor 1988; Obadan 2000, Nhema 2015).

For Ramanadham (1991), the interpretation of public enterprise, combines the elements of publicness and enterprise, with the former ensuring that these non-private agencies made entrepreneurial and operational decisions for the public good. The difficulty then which Ramanadham (ibid) pointed to in terms of management, remained the inability to make a clear distinction between the political and pragmatic origins of these enterprises. First, the emergence of public enterprises in most countries could be linked to post-war development problems such as rationalisation, restructuring and rehabilitation of industries. By this, the drive for public enterprises became dependent on the speed of growth, the kind of growth and the outlined state objectives, with emphasis on the stage of economic development, infrastructural and industrial enterprises within a country. The challenge with such characterisation of public enterprise which Ramanadham (ibid) also stated was the fact that even when these economic and political objectives predetermined the state’s decision to invest, expand, divest and regulate performances in these enterprises, most of them in developing countries became fiscal burdens that restricted economic development.

The historical development of public enterprises in developing countries considered these enterprises as institutions for bureaucratic and political control over resource allocation, employment coordination and capital accumulation in the country (Adeyemo and Salami 2008; Noll 2000; Rondinelli and Iacono 1996; Ugorji 1995). This simplistic characterisation of public enterprises and the state involvement in most developing countries was more about replacing the foreign control, dominance and exploitation, made possible by the colonial system, with an indigenous system controlled by the political elite. Based on this context, Nellis and Kikeri (1989) noted that the development of public enterprises from such colonial
perspective in most African countries was more about control than national development. According to him:

Public enterprises are institutions and pre-dispositions inherited from centralised interventionist colonial regimes. A tendency to associate liberal capitalism with colonialism and imperialism and the post-war ascendancy of leftist/statist political ideologies. The apparent absence or embryonic nature of the indigenously private sector and the conversion of failing private enterprises into public enterprises to forestall increases in employment. Finally, public enterprises became attractive to politicians who use them as patronage mechanisms to distribute jobs to both the mighty and the minor. These are but some of the more critical historical, economic, social and political factors which have led almost every African state to create sizeable public enterprise sector.

(Nellis and Kikeri 1989).

Consequently, the historical objective to establish these enterprises was to propel development or what Hanson (1972) in the study of public enterprise development in Nigeria, Turkey, Mexico and India, considered as institutions for economic development or last resort. In this case, public enterprises in these countries were used for political reasons to provide jobs for constituents, political allies and friends. In the Nigerian case, its location and level of development were defended by the need to maintain the ‘federal character’ system and promote national integration (Hanson 1972; Ugorji 1995).

Fontaine (1993) states that the creation of public enterprises in sub-Saharan Africa, was for the same reason as in most countries, to correct market failures, provide public goods and control these natural monopolies. The development of these enterprises was encouraged not just by the underdevelopment of the private sector but was reinforced by most states’ decision to use them as instruments of social and industrial objectives such as the reduction of regional

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8The Federal character principle was introduced in the Nigerian constitution in 1979 to ensure that the management of the operational and human resource decisions in public enterprises reflect the ethnic, religious and geographical diversity in the country. The application of which often conflicts with the attempt to balance the merit principle and the quota system which is essentially about regional representation over skill (Adamolekun et al. 1991).
differences, job creation and the promotion of industrialisation. So, as engines of social and
economic development in both developing and developed countries, public enterprises such
as the electricity sector, irrespective of the political ideology of the state (capitalist, mixed
economies and socialist), play a vital role necessary for any nation’s economic advancement.
For instance, the state’s ownership and control of the electricity utilities allow it to regulate
the operations and management processes within a centralised and monopolist structure
(Boardman and Vining 1989; Megginson and Netter 2001). This centralised and monopolist
structure which in most developing countries encouraged the direct interference of political
and organised interests such as the unions in the management of public utilities often
undermined their performance and operations (Beaumont 1992; Hemming and Mansor 1988;
Ugorji 1995). The involvement of the state and other stakeholders such as unions led to
questions on the role of the state and its possible impact on the efficiency and performance of
public enterprises, which are essential tenets in the privatisation debate.

Macauley’s (1975) interpretation of the “why”, “how” and “extent” of public enterprises
development and the government’s ownership, moved beyond the above simple
characterisation of these enterprises as colonial institutions. In the study, Macauley (ibid)
described them as institutions where political presence is considered essential for public good
due to its size, financial requirements and services which cannot be offered by the private
sector. Such achievement was possible through the centralisation of capital and the
socialisation of production through a monopolistic framework in a bid to avert economic
crises and stabilise the class struggle (Afansyen 1974; Clarke 1991). This ideology was
sustained on the premise that equitable redistribution of available resources and provision of
public good given the combination of national, economic and social institutions, was only
feasible through state ownership of vital economic production (Clarke 1991; Freeman and
Carner 1970; Mwapachu 1975).

Even when the state remained in control, Ramanadham (1991) noted that the extent of
government’s dominance in the management of these enterprises remained a function of the
macro policies, operations, agencies and other institutional uncertainties that may arise
overtime time due to what he termed the structured and unstructured institutional
interventions to reform. The structured interventions, in this case, had to do with constraints
such as budget control, corporate planning, legislative decisions and broader national
interests influenced by political or personal interests. These interventions contrasted with
unstructured interventions, which includes informal interferences within the institutional framework of a country with no formal provisions in legislation.

Ramanadham’s (1991) earlier categorisation of these institutional interferences in the management of public enterprises, according to Nhema (2015) failed to consider the political economy peculiarities of a country and how they influenced the level of state involvement and ‘successes’ in these enterprises. Part of which includes the efficacy of the regulatory framework in terms of eliminating political interferences (through political appointees and direct intervention), especially at the management level. For one, the state is empowered to take decisions on investment, the appointment of directors and top-level personnel, the regulatory control and performance evaluations in these enterprises. Given such political control of the operational and managerial aspects, most public enterprises in developing countries lacked the market discipline that compelled maximum efficiency. A framework which Nhema (2015) believed contributed to an operational system, which muted bankruptcy and encouraged complacency at work in African and Latin America and Asian countries. Such that most of the enterprises in most developing countries became heavy burdens on an already strained budget due to their inability to generate revenue enough to cover their operating costs, depreciation and finance charges. This was not an exception even in instances such as Latin America and Brazil, where Nhema considered some of the public enterprises were profitable. Mainly because a closer examination revealed the use of direct subsidies, distorted prices, hidden tariffs, preferential interest rates and other institutional interference not adequately accounted for, which led to high deficit percentages in some countries' external debt. Nehma's study concluded that the depressing picture of inefficiency, hidden budgetary burdens, reduced services, and minimal accomplishment of non-commercial objectives used to excuse poor performances in developing countries were far beyond the political objective for economic development.

Ramamurti (1987) and McGowan (1993) referring to these challenges for developing countries, highlighted the direct influence of prevailing political ideology and the excessive political intervention within these enterprises. Here, they considered the poor performances in public enterprises as outcomes of corruption, managerial unaccountability, and operational inefficiency, which encouraged political interest over the market decision for resource allocation and employment coordination. A conceptual challenge which for Ramamurti (ibid) was made possible by the autocratic position of most governments in developing countries,
which supported continued political control, organisational slack, budget maximisation and resource constraints that further weakened the regulatory institutions.

Rondinelli and Iacono (1996) assert that challenges in the management of the public enterprise in most countries are not necessarily about the involvement of the state but other underlining interests involved in the development of these enterprises. One is the change in the narrative from the post-colonial development of enterprises through nationalisation, in response to a historical resentment of foreign-owned firms. This new ideological interpretation of public enterprises and the role of the state that emerged in the 1970s, led to questions on the role of the state and the difference between public and private sector ownership, due to increased national and international fiscal pressures. The rather ambitious policy agenda led by Thatcher in the United Kingdom and Reagan in the United States emerged and introduced a new policy debate with emphasis on market forces, financial liberalisation, deregulation, privatisation and a limited role for government control at the macro and micro-economic levels (Williamson 2003).

2.1.2 The Question of Ownership

Historically, a mixture of public and private ownership has existed in developed and developing countries. While state ownership was more involved in large-scale production such as metalworking, electricity and telecommunications, private ownership engaged more in smaller service provisions such as trading. All this changed after World War II and the Great Depression, which promoted debates for exclusive state ownership and regulation of industrial sectors. The goal was to promote economic efficiency, reduce government interference in the economy, promote wider share ownership, competition and raise revenue for the state (Brada 1996; Bennell 1997; Megginson and Netter 2000; Rondinelli and Iacono 1996; Shirley and Nellis 1991; Sobel 1999). Still, the theory of privatisation cannot be discussed without first understanding the economics of ownership, the role of the state in the production of goods and services and the politics of the process. Megginson and Netter (2000) interpretation of the role of the state in the privatisation process indicates that the process has economic implication far more critical than the move from public to private ownership. First is the theoretical argument for private ownership, based on strong assumptions of a competitive equilibrium. This theory assumes that there are no externalities
in the production process mainly because the market, especially that of the electricity sector has no externalities in the electricity distribution. As such, Shleifer (1998) argues that the justification for privatisation is less compelling in markets for public goods and natural monopolies, especially when one considers the feasibility of competition and elimination of state intervention in those enterprises.

More empirical studies (Ehrlich et al. 1994; Laffont and Tirole 1993; Megginson and Netter 2000; Mujumdar 1996) also, challenged the direct comparison of private versus public ownership of enterprises. Part of the debate reemphasised that public and private enterprises were not only established for different objectives but that the suggestion that either is better than the other must be explored beyond the concept of ownership. The alternative, according to Laffont and Tirole (1993) is not purely private or outright elimination of state intervention but rather the interaction of institutions and how they predetermine the effectiveness of either state or private ownership. In line with Ehrlich et al. (1994) and Mujumdar (1998) who maintained that differences in the productivity between the public and privately-owned enterprises are predetermined not just by ownership but other interacting factors such as market conditions and exogenous technical changes. Therefore, the debate on the role of the state should not just be influenced by the decision for private sector participation or dwindling performance, but rather a combination of several factors. These factors include the economic competitiveness of the enterprises, the government’s ideological view of markets, history of the asset’s ownership, the capital market conditions and the government’s willingness to allow foreign investments.

On the issue of market ideology, Kole and Mulherin (1997) raised questions on whether ‘ownership alone affects a firm’s behaviour or whether challenges in public enterprises was beyond ownership’. In their study which looked at 17 firms with significant German and Japanese ownership, they compared the control of five firms which had 61% of its book value under private ownership, with others which were publicly-owned. The study, however, found no significant difference between the performance of the publicly-owned and privately-owned firms. To which they concluded that the policy debate for alternatives such as privatisation must consider other factors beyond the concept of ownership change.

On the public to private transfer debate and its relevance especially in developing countries, it seemed logical to the donor agencies such as the IMF, that the transfer of such political and economic policy from developed countries such as Britain to the third world and Eastern
European economies was adequate for economic performance. The donor agencies (IMF and the World Bank) and neo-liberal analysts, adopted this policy perspective and advocated for governments to eliminate the nationalistic, interventionist and redistributive character in their electricity sector, which they believed to be partly responsible for the dwindling service delivery in these enterprises. The World Bank’s proposition of this economic policy maintained that ownership change would aid revenue realisation through sale, reduce government interference in the economy, provide an opportunity for competition and promote economic efficiency (Lopez-de-Silanes 1999; Megginson and Netter 2001). In its proposition to sub-Saharan African countries, the World Bank maintained that;

African governments should not only examine ways in which the public enterprises can be operated more efficiently but should also examine the possibility of placing greater reliance on the private sector. What is needed, is straightforward acceptance of the principle that under certain circumstances, the liquidation of public enterprises may be desirable

(Adeyamo and Salami 2008, p.409).

The above policy debate led to recommendations by the International Monetary Fund (IMF) for more private sector participation in developing countries including Nigeria, where key commercial sectors were heavily dominated by the public enterprises (Obadan 2000; Obadan and Ayodele 1998; Purcell 1989). The challenge, however, was that while the IMF referenced the acclaimed ‘success’ in developed countries, its characterisation of public enterprises in developing countries as loss-making institutions failed to recognise the complex economic and social relations that determined the underperformances in those enterprises and how they differed from those in developed countries. An instance was earlier debates by the donor agencies which characterised these enterprises as a drain on government resources because of their reliance on government-guaranteed borrowing. To which they (donor agencies) proposed and introduced the Structural Adjustment Programme (SAP) in the 1980s to countries that had economic crises. The SAP was a policy shift that made changes to the operational and management framework of public enterprises in most countries, with the state retaining ownership. At first, the policy was considered strategic because it was set up to address economic crises in developing countries, but it went on to achieve only limited
success with twenty-eight countries in sub-Sharan Africa only achieving a 23% increase in electricity accessibility with some providing partial access (Collier and Gunning 1999; Gore et al. 2018; International Energy Agency 2011; World Bank 1981). The (SAP) failure, according to Bangura (2000) occurred not because of its focus on economic advancement through market efficiency, but because it failed to recognise and accommodate the peculiarity of the political economy within these countries. Such that while the IMF and the World Bank proposed for countries to control their budget deficits through downsizing and marketisation, the role of the state should not have been defined as a direct provider but a partner in the process. The absence of such inclusive policy and failure of the SAP led to growing consensus amongst the countries that monopoly contributes to low capacity utilisation, inadequate maintenance, reduced procurement and high distribution losses in the electric sector in most developing countries (Hall and Nguyen 2017; Jamasb 2006; Newbery 1999, Megginson and Netter 2000). Mainly because while the variables introduced by the donor agencies (IMF) through the SAP programme were designed to effect institutional changes, the policy failed to recognise the prevalence of the national political economy on the decision, design, pace and implementation of the SAP process.

The continued underperformance in most public enterprises led to the neo-liberal solution for private sector participation as the solution to the dwindling performance for public enterprises in most developing countries. Most of these countries adopted the debate by unbundling their vertically interacted state-owned enterprise, into wholesale and retail markets with an independent regulator, as a strategy to improve performance and efficiency (Bangura 2000; Hall and Nguyen 2017; Jamasb 2006; Newbery 1999; Rainer and Jabko 2001; Parker and Kirkpatrick 2005; Zhang et al. 2006).

Rufin et al. (2003) attempts to understand the underlining factors that supported the drive for ownership change through private sector participation, involved an examination of the reform in the electricity sector in Brazil, China and India. In their study, they examined how varied drivers other than ownership change determined the political, economic and technological expansion and outcomes within the electricity sector in China (mixture of communist ideology, nationalist ambition and pragmatism); Brazil (mixture of nationalism, social democratic ideology) and India (combination of nationalism, socialism and democracy). While the study noted that the ownership status of an enterprise was essential, it also suggested that the variance between these countries occurred not because of ownership change but due to a combination of three key variables; ideology, interest groups and
institutions. The interaction between these variables, according to Rufin et al. (ibid), led to a four-stage approach in the unbundling process and further questions on the generalisation of the reform implementation and outcomes. The four-model process that emerged include; A (state ownership integrated monopoly), B (Independent Power Plants exist with a state-integrated monopoly), C (mixed-ownership unbundled monopoly) and D (private ownership unbundled competitive). Taking into consideration the changes that led to different outcomes between the cases, the study, concluded that the cliché that private sector is the solution to efficiency in the electricity sector in developing countries remains simplistic and inconclusive.

Similarly, Crow’s (2001) idea of private sector ownership as an alternative for state involvement, in a sector that has enjoyed a monopolistic status in the distribution of electric services, also pointed to the need for further reconsideration of the integrated entities and the cost implications if they remained under state ownership. The study’s reference to the macroeconomic pressures and possible reduction in transaction cost (Macdonald 1998; Spiller 1996), highlighted the need for a multi-level analysis before the private versus public ownership debate can be concluded (Bognetti and Obermann 2008; Megginson and Netter 2001; Millward 2005; Newberry 2001).

The policy consideration according to Newbery (2001) and Mloza-Amri (2005), entails a shift from the ‘cut and paste’ policy by the donor agencies which allowed the generalisation of this market ideology based on the assumption that the ‘success; recorded in developed countries could be replicated in developing countries, most especially in a sub-Saharan Africa such as Nigeria. Hence, the debate for a narrative beyond the context of competition versus monopoly, to one that reconsiders the political incoherency between the efficiency objectives of the government and that of the organised interest involved in the sector (Andersen and Blegvad 2006; Boardman and Vining 1992; Mobley and Magnussen 1998; Tirole 1994). This entails a reconsideration of the conflicting interests, the ‘spending ministry’ (with a mission to advance the industry), the ‘financing ministry’ (aim to reduce budget deficit) (Tirole 1994) and the political objective of the ruling class. More like ‘the case of he who pays the piper calls the tune’ (Hanson 2003, p.1). This is particularly important in most developing countries with patrimonial regimes where politicians use institutions to punish or reward loyalist or in certain sub-Saharan countries where political leaders are unlikely to reduce political control in the implementation of reform in countries (Acemoglu and Robinson 2012; Van de Walle 2001). The implication of this political interference is that why most countries have
undertaken the pace, design and implementation of the reform policy processes more quickly or extensively than others, their approach to privatising still does not underestimate how the political economy (Gore et al. 2018) and the internal management functionality (Joseph 2010) defined and continues to define the reform process.

2.2 Privatisation: An Overview of the Debates

Privatisation in general terms means a transfer of ownership, control and means of production from the public to the private sector. While countries with developed capital markets may undertake the sale of the enterprise’s equity to the public through share offerings, Nhema (2015) pointed out that most developing countries with underdeveloped capital markets opt for the sale of the enterprises either as a complete entity or some form of a joint venture. The 1980s worldwide wave of privatisation following the experiment in Great Britain, have focused on the drive for efficiency, production and infrastructural development, but with less emphasis on the practicality of this economic policy and corresponding post-reform impact on industrial relations.

The concept of privatisation and its implication especially in developing countries is a combination of the ideology that led to the establishment of public enterprises, national politics, economic and social objectives and how they influenced the process. Proponents of privatisation, in general, are ideologically oriented towards a conservative political economy that favours a robust marketplace or the idea of small government with a limited role in the economy. This is based on the concept of the superiority of the private sector over the public sector in the delivery of goods and services. In the last three decades, the intense debate among politicians and practitioners on how to effectively manage public enterprises have seen governments especially in developing countries divest their public enterprises with the objective to enhance their economic efficiency, decrease government intervention, and improve performance, increase revenue and competition in the monopolised sector (Estrin et al. 2009; Megginson and Netter 2001; Vickers and Yarrow 1988). This policy according to Bortolotti et al. (2004) was associated with high levels of public debt and the intent to use the proceeds received through the sale of these enterprises to reduce fiscal deficits in those countries. The popularity of privatisation for deficit reduction based on its acclaimed ‘successes’, has seen governments in developing countries record over $2 trillion in the sale of public enterprises to private investors and corporations.
The rationale to privatise is, however more complex than the conventional market versus state consideration might suggest, as there is need to consider not just the decision, pace and design to privatise, but the underlining political objective of these countries (Jamashb et al. 2005; Joskow 2001; Newbery, 2002; Rowthorn and Chang 1993). As a policy that was first introduced by the Thatcher government in Britain in early 1980 to a sceptical public, its acceptability as a policy agenda for infrastructural advancement and efficiency objective in developed and developing countries has evolved (Adam et al. 1992; Megginson and Netter 2001; Van Der Hoeven and Sziraczki 1998). This process became an umbrella term in most countries for macroeconomic policies such as deregulation, liberalisation and franchising.

The introduction of this economic agenda, according to Wiltshire (1987) entails a political undertone beyond the notion of economic efficiency and service delivery. In the case of the privatisation process in the UK and USA, Wiltshire’s study argued that the governments might have had a hidden agenda beyond economic efficiency. In the case of privatisation in Britain, Wiltshire (ibid) maintained that the idea of the superior efficiency of the private sector, market competition and the problem of big government was used as a strategy to manipulate voters towards the new Conservative promised tax cuts, budget cuts and public sector cutbacks.

Similarly, in developing countries, Adam et al. ’s (1992) theoretical review on the process moved beyond the change of ownership narrative and explored other alternatives to private sector participation that would encourage private participation and ‘competition’ without necessarily altering the ownership framework completely. While their focus remained on the reduction of the role of the state through competition and economic efficiency, they argued that the introduction of patterns of behaviour from the private sector into the public sector would not be considered as instances of privatisation. In recognition of the direct interference of exogenous factors such as donor agencies and other challenges such as a rise in unemployment, Adam et al.’s study concluded that the privatisation processes in Britain and the American economy might not generally apply to countries with undeveloped institutions.

Consequently, while the interpretation of privatisation as a political and economic policy may have differed between developed and developing countries in terms of the privatisation design, and the underlining political objective and outcomes, there remains the question of ‘how’ and ‘why’ countries adopted the policy. The interpretation of the process within this
context is beyond the 1970s oil-induced recession debates and the acclaimed ‘success’ for efficiency because of the institutional peculiarities between countries and how they influence the privatisation design, competition and working conditions in the privatised sector (Bangura 2000; Bourguignon and Sepulveda 2009; Rufin et al. 2003; Pineau 2002; Van der Hoeven and Sziracki 1998).

Earlier debates suggest that although the privatisation in Britain was believed to be economically motivated, the Conservative government were more committed to its political rather than economic objectives (Abromeit 1988; Brittan 1984; Pitelis and Clarke 1993; Vickers and Yarrow 1988). The political objective included the drive for economic revenue generation for the country through the sale of state-owned utilities and shrinking the state. Most governments adopted privatisation as a policy to advance their macroeconomic performances through the reduction of subsidy, fiscal burden and overstaffing challenges that negatively impacted their efficiency (Marsh 1991; Parker and Kirkpatrick 2005; Pineau 2002; Rufin et al. 2003). In line with the Bretton Woods Institutions (World Bank and the IMF) argument, which assumed a direct link between privatisation and efficiency. What the debate failed to consider was the distributional effects and institutional differences between and within countries (Kikeri and Nellis 2001; Megginson and Netter 2001).

The pace, design and implementation of the privatisation debate despite its promotion by its advocates differed between sub-Saharan countries. Starting from the Francophone West Africa countries (Benin, Niger, Senegal and Togo) in the late 1970s and 1980s, to the Anglophone and Francophone countries (Ghana, Nigeria, Mali, Kenya and Malawi) in the 1980s, Bennell (1997) argued that the pace and process of privatisation was predetermined by both the internal political objectives and pressure from the international institutions (Nellis 1999). Such that while fewer privatisations occurred between these countries over the period of 1991 and 2001, the slow pace in sub-Saharan African countries such as South Africa, Nigeria, Ghana, Zambia, were not because of outright rejection of the policy but lack of political commitment, compounded by strong opposition from vested interest (bureaucrats and the unions). Such that even with the weak financial positions of most of these public enterprises, the presence of a robust political ideology which favour government involvement remained a predetermining factor for the process.

The level of implementation in most developing countries, according to Brada (1996) suggests a direct link between their objective to privatise, its pace and the design adopted. In
the analysis of the privatisation process in Central and Eastern Europe, Brada’s study identified four models of privatisation introduced as each government attempted to achieve its underlining political objective. The models include privatisation by restitution, outright sale or share issue, voucher privatisation and privatisation from below. Privatisation through restitution entailed the return of assets to the original owners. Privatisation through the sale of the enterprises involves the trading of shares in the enterprise by the state for cash payments. The third approach, which is privatisation through share issue involves the transfer of the government’s stake in the enterprise through a public share offering. Far from the outright sale or share offering, the study identified voucher privatisation, which occurs when citizens use vouchers distributed either freely or at a reduced cost to secure a stake. The final process, which is privatisation from below allows for the start-up of new private businesses in formerly socialist countries for economic growth.

In response to the debate on privatisation, Parker and Kirkpatrick (2005) suggested that the transfer of productive assets to the private sector may not per se be a critical strategy for increased productivity and reduced production costs. In the case of developing countries, Parker and Kirkpatrick (ibid) maintained that while the policy remains controversial, the relative roles of ownership and other structural changes, such as competition and regulation, in promoting economic performance remains uncertain. The uncertainty, however, in the long run, could be complemented with policies that promote competition and regulation within a broader structural reform framework that recognises the national and firm-specific interest. This is imperative because while the economic foundations of privatisation lie in the principal-agent relationships, the process must also recognise the critical differences between markets, management governance and property rights and the suitability and practicality of the privatisation policy in developing countries (Brownbrideg and Kirkpatrick 2002). Some of the instances on the practicability of privatisation in developing countries arose from Craig’s (2002) study of Zambia, Pitcher’s (1996) study of Mozambique, Tukahebwa’s (1998) review of the policy in Uganda. In Uganda for instance, Torp and Tukahebwa (1998) observed that the political, economic and socio-cultural environment led to a privatisation process where the government focused more on making the unbundled companies affordable to domestic investors as against economic efficiency. A similar case by Craig (2002) in the study of Zambia’ privatisation, indicated that the government through its sale of the public enterprise to indigenous investors, encouraged cronyism and clientelism which led to a new
business class that restricted working capital, pressed for political favours and placed the regulatory system and competition at risk.

One of the critical concerns with these privatisation processes according to Cook’s (1999) and Parker’s (2002), is the administrative and managerial capacity of the privatising government and the political motivation to privatise. For instance, in Taiwan’s privatisation programme, Parker’s (2002) concluded that given the weak political and administrative system which supports the belief that governments are self-seeking and incompetent, the ability of the same government to effectively and efficiently privatise remained questionable. In the case of Nigeria for instance, (Rohdewohld 1993) and Zambia (Torp and Rekve 1998), the observation of the privatisation process did not only include the economic and political implications but also how factors such as regional, political, corrupt acquisition linked to the ruling political parties, individual and ethnic interests, influenced outcomes within Nigeria and Zambia. This evidence of self-seeking government interests together with the presence of political and corrupt interest in these developing countries suggest that the general market versus state remains a complex discussion especially when it comes to the issue of Winners’ and ‘Losers’ of the process.

Despite the support for privatisation across the world, it has remained a difficult policy decision for government’s undertaking the process because of its economic benefits to various stakeholders in the long-term and the short-term political cost such the loss of an election. There is also the short and long-term cost for constituents and interest groups such as the unions and employees whose opposition is borne by the privatising government. For this reason, it is typical for governments to fear the reaction of their constituents, potential voters, interest groups such as the unions and employees to their decision to privatise. So, to minimise opposition, privatising governments often initiate what they consider to be the “appropriate” design in terms of privatisation method, to enable it to accomplish its political and economic objectives (Boubakri et al. 2011; Dinc and Gupta 2011). The underlining decision being to achieve its political and economic objectives which are influenced by the level of government and trade union relationship. The consequence of which often leads to the restructuring and fragmentation of the internal labour market and the emergence of a decentralised industrial relations regime.
2.3 From Uniformity to Diversity: Changing Industrial relations

The growing limitations of market mechanisms as automatic regulators have led to increasing direct and indirect intervention of the state in productive activities and other services. The growth of these activities, together with growing fiscal deficits in most public enterprises and pressures from interest groups, have also increased the fiscal demand on the state. These economic and political crises have encouraged the rollback of state intervention in public enterprises through a policy agenda that focuses on the question of private sector involvement, efficiency and cost reduction objectives, but with considerable pressures on the relationship between capital and labour during and post the reform processes (Ferner 1987; 1990).

The literature (Castells 1997; Haworth and Hughes 2000; Zolberg 1995) on globalisation and the drive to privatise public enterprises, following the sharp increase in foreign debt and severe macro-economic instability, indicates that the relationships between capital and labour have evolved to the disadvantage of the latter. This is because the associated economic crises and increasing public expenditure due to the intense fiscal pressure posed by public enterprises have profoundly affected industrial relations in public enterprises. The changes on the part of labour have included instances of dwindling union membership, (despite the growth of the service sector), restrictive collective bargaining and decline in labour disputes and strikes. The prevalence of these changes both at the capital and labour levels were often in response to international and domestic pressures that interfered with both the domestic process and the representation of opposing interests (Candland and Sil 2001; Milner 1997; Rudra 2002).

How public enterprises and the unions have responded to these changes cannot be deduced only from the influence of economic crisis. Instead, the interpretation of organisational changes and union responses to these changes must consider how the political sphere (which is an interplay of actors, their strategies, resources and ideology) in which the management-labour relationship is embedded into, redefines the scope of public enterprises management and the unions collective bargaining framework. This debate was clearly outlined in Ferner’s (1987) analysis of the politics of commercialism and the changing industrial relations in British and Spanish Railways. The study explored how the political objectives of the state are transmitted either through formal legislation/rules or direct intervention in the bargaining exchange between the state, enterprise management and the unions. The reference to the
political objective of the state to reform also includes questions regarding the level of political intervention in the ‘pre’ and ‘post’ reform of public enterprises, which unlike the private sector, operates within a political sphere that influences and controls its strategy. What Ferner (ibid) however, observed was that the interpretation of any ‘political intervention’ during reforms is multifaceted because of the unpredictability of the political response between countries. Such dynamics within a country’s political response was observed during the Thatcherite and the Spanish projects for the railways, which despite being faced with similar economic crisis and concern for increasing efficiency in the railway sector, approached collective bargaining differently. In Britain, the ideology for a more aggressive and less consensual style of industrial relations was reinforced by the rhetoric of the Thatcher government and the programme of privatisation, unlike the Spanish approach which favoured a consensual style of politics that granted concessions to the labour movement. So, while the conservative government, maintained its strategy for change in the traditional government approach to avoided stoppages, the Spanish approach aligned more with the political objective determined to avoid social conflicts. Following these varied changes within the industrial relations framework in Britain and Spain, Ferner (ibid) concludes that the transmission of this varied political ideology on industrial relations and its success during the reforms in Britain and Spain was not only achieved because of the political objective to reform but by the interplay of political actors, their ideologies, strategies. All transmuted through the political framework, which controls the political strategies and negotiation between the state and enterprises with each party having its sources of bargaining power.

The challenge, however, is that why Ferner (ibid) attempts to respond to issues on political objectives and its transmission within the interplay of actors, the study failed to consider other internal and external factors (internal divisions within the unions’ framework, economic and political institutions) that further constrained the political stance and union responses in Britain and Spain. Hence, the notion of generality as it relates to this study, especially in a developing country such as Nigeria where the under-developed institutions have encouraged the state’s totalitarian approach within the political framework and collective bargaining processes. Given these institutional constraints, there is a question of the enterprise and unions being able to achieve possible navigation within the bargaining framework, given the power of the state in this context to grant and withhold economic resources, mobilise public and political pressure on the enterprises.
Therefore, the interpretation of the power of the state and unions responses to the restructuring of industrial relations within public enterprises is not a direct one. Instead, it is a combination of not just the political influence within the enterprise and involved institutions, the social support on which they rest, ideologies and the transmission mechanisms that carry government priorities and policies into the sector with direct or indirect impact on industrial relations (Ferner 1987). The indirect impact occurs through the internalisation of government objectives by management into the managerial strategies and plans with implications for industrial relations. The impact could also occur directly where government objectives have a direct impact on wages, workplace conditions or procedure to collective bargaining. In the study of the industrial relations and the meso-politics of the public enterprises in Spanish railways, Ferner (1987) observed that the process of transmitting these political objectives of the state, however, depended on the micropolitical processes of negotiation and the ‘political exchange’ framework that emerged in the sector. Within this exchange framework, the government promised certain labour concessions in exchange for its support for political objective and priorities. The negotiation strategy was initially considered as strategic because it guaranteed political legitimacy for the unions at the sector and policy level. However, Ferner (ibid) concludes that the process weakened the union’s collective bargaining position in the Spanish railway sector, not necessarily because of its partnership framework between the unions and the Socialist party but because the process relied on the unions' historical dependence on the state following the Francoist era. Therefore, rather than develop a strategic framework for collective bargaining, the unions' negotiation evolved around a government ideology, identity and objective which was bound to have different priorities and perceptions. Although the study recognised the prevalence of the transmission mechanism within the collective bargaining framework, it is crucial to explore further how the internal divide within the union structure during the reform process, historic political interpretation of industrial relations and post-reform constraints influence union’s bargaining power and concessions.

The interpretation of the political exchange processes between the transmission mechanisms and the unions is framed by both external changes within the political economy and the internal organisational politics. In the study of privatisation and organisational politics, Ferner’s (1990) emphasis on organisational changes and unions responses was not just about how external changes within the political environment determine internal changes, but rather
how organisations respond to challenges posed by changes in the environment through a process of negotiations influenced by the interests and power resources of actors involved in the process. The extent of the organisational politics within this context of change is determined by personnel influences on broader business strategy, personnel role in human resources decisions and the influence of organisational culture on operational decisions. The combination of these factors suggests that environmental change and its corresponding influence on management change strategies and union responses does not just occur automatically but is determined by the interpretation and implementation of the changes by the involved actors, operating within the constraints provided by the overarching framework of the privatisation plan, political and organisational objectives.

There is a question of uniformity or diversity of capital-labour relations in the process of privatisation, which to Waddington (1999) is beyond the drive to privatise, and the role of the trade unions in the process. Paczynska (2007) explored this concept further by examining the role of unions in Poland, Mexico, Czech Republic and Egypt, who confronted the government by attempting to renegotiate the privatisation design and its implementation, for the interest of employees. Paczynska’s study observed that while union influence varied between the countries, it concluded that the ability of the unions to influence the privatisation process was framed by a range of issues such as the historical legacies of the government-union interaction, union power, and legal experience of successfully confronting the state, financial autonomy, external networks and regime type. On the issue of regime type and how it influences the union’s response to the privatisation process, Huntington and Nelson (1976) suggested a direct link between a government’s regime type (authoritarian and democratic) in Poland, Mexico, Egypt and Czech Republic, and a union's ability to influence the former’s reform policies. In order to explain these variations that could occur between regime types and union response, Paczynska (2007) explored the level of interaction between the unions and the reforming governments. The first issue was that the attempt to privatise public enterprises attracted intense opposition of public union. While the nationalist feared that the takeover of national institutions by foreign corporations would end their political favours, employees however, feared that the process would jeopardise their livelihoods. Secondly, Paczynska’s study considered the political dynamics and differences between autocratic and democratic regimes with the latter focused on retaining favour from the electorate. Following the differences between the regimes, the study concluded that democratic governments were more likely to yield to political pressures from interest groups and push for policies that
facilitated long-term economic growth and short-term political electoral support. The authoritarian governments, however, designed and implemented policies without yielding to pressure from opposition groups because they are not exposed to general electoral elections. Therefore, they were able to repress protesters and ignore their oppositions to privatisation. Given such differences between regimes, the study argued that while the unions could influence policies under a democratic government, their participation was less likely with the authoritarian regimes.

Biaglaiser and Danis (2002) however argued that while Paczynska (2007) analysis indicated the differences between regime types, it remained an incomplete analysis of the regime type debate on industrial relations and therefore, cannot be generalised. This was because of evidence of democracies implementing politically motivated privatisation without crumbling to interest pressure groups such as the unions. In Biaglaiser and Danis’s study, they questioned the idea that workplace reality can be interpreted based on political regimes as if these regimes operated in a simulated market environment. In their study of 76 developing countries from South Asia, East Asia, Sub-Saharan Africa and Latin America, between 1987 and 1994, they maintained that other underlining macroeconomic factors other than regime types could explain the industrial relations similarities or differences between the countries.

In Haggard and Kaufman’s (1995) analysis on the level of union involvement during reform, analysis moved beyond the previous assertion on regime type and pointed out other internal characterisation of the government such as autonomy and cohesion and how these characteristics influenced the process. In their analysis, they referred to a critical factor which involved the use of change teams (representatives with technical, economic and political knowledge) by governments to facilitate their autonomy from interest group pressures. This was because the change teams were regarded as independent agencies as thus insulated and empowered with the capacity to push through restructuring.

In the discourse on the privatisation of public enterprises, unions are often depicted as opponents of any changes to service delivery, while government officials, as less prone to pro-privatisation dogma. Given such characterisation, the unions response to privatisation may be pragmatic depending on the government’s policy to privatise (Fernandez et al. 2008), type of privatisation (Warner and Bedbon 2001; Brada 2001; Megginson and Netter 2000) and the relationship between the union and management during the process (Chandler and Feuille 1994; Paczynska 2007). Part of consideration which Murrillo (2002) mentioned was
the cost implication on employees in terms of union's support or opposition to the reform in terms of feasibility, design and implementation. Because while privatisation may create competitive pressures, the possible changes in the internal labour market such as wages, conditions of service, job security fragmentation, individualisation and decentralisation of IR regime may result in what Schulten et al. (2008) described as a two-tier workforce, with considerable implications for industrial relations especially at the meso-level post-privatisation.

2.3.1 Institutional Changes and the Multi-level Implications of Industrial Relations

Traditionally for a variety of reasons, trade unions irrespective of their political affiliations have generally opposed the drive for liberalisation and privatisation of public enterprises. Reasons include an ideological rationale for public sector employment, concerns of employment conditions, employment security, union security (recognition and membership strength) and collective bargaining (Ratnam 1998; Van der Hoeven and Sziraczki 1998). Firstly, most governments in develop and developing countries allow for union members to maintain the traditional internal labour market within the civil service in terms of social protection, job security, centralised collective bargaining and the regulation that protect union members. This is due to the traditional labour relations such as strong union’s position and density, centralised bargaining structure, low degree of wage dispersion, long-term employment relationship and instrument of employment policy (Corby and White 1999; Keller 1990; Schulten et al. 2008). All these changes with privatisation are often resulting in a shift from the traditional characterisation of the government, as the ‘model’ employer. The contrast to this traditional labour relations framework emerged with liberalisation and privatisation, where a public orientation was replaced with a profit orientation for competitive pressure, labour cost reductions and the transfer of the market pressure to the employees.

In the context of this study, industrial relations implications in the privatised sector do not just translate to a change of ownership or unionism but how the restructuring of the traditional labour relations framework influenced employee ‘voice’ in the negotiation of terms and conditions of employment. This is because the restructuring and privatisation of public enterprises introduced considerable pressures on how unions organise in terms of job control, membership, wage determination, demarcation and protection of narrowly defined jobs, with implication on workplace performance. The workplace changes and its pressures
on the union according to Walton et al. (1994) are not just a case of management strategy alone, but the local union's critical role in the restructuring initiatives (Frost 2001).

The wave of privatisation over the last decade has become a phenomenon which transformed the traditional industrial relations framework, such that the boundaries between the private and public sector in terms of workplace arrangements may have become blurred, probably forever (Pitelis and Clarke’s 1991). The issue of the short-term or medium-term impact of the privatisation process, especially when it comes to cost reduction measures do have a significant impact on employees, irrespective of their years of service. For most survivors, privatisation is characterised as the removal of the bureaucratic and hierarchical employment status and rights such as employment security and aggregate benefits that comes with employment seniority status. The EIRO (1999) report, pointed out that privatisation introduced two-tier levels of employment for survivors of the reform and the newly recruited employees in Norway, Denmark and Belgium, such that while employees maintained their public sector status in France Telecom, the status differed between the two employment levels (survivors and recruits) in Belgium and Denmark.

In a counter debate, Schregle (1992) asserts that privatisation is not necessarily a threat to collective bargaining arrangements and employee future in the company. Instead, industrial relation outcomes post-privatisation reflects an already existing constraint in the management of collective bargaining guidelines dictated either by budget constraints or imposed through government restrictions on issues such as strike actions and bargaining. In which case, the government/employers do not consider privatisation necessarily as a strategy to eliminate the union involvement in the sector, but rather a policy that may decrease budget deficits, eliminate unfair competition, reduce tariffs and increase economic development through greater efficiency.

In their response to privatisation and industrial relations outcomes, Belkhir and Ben-Nasr (2016), maintain that there is a possible link between the privatisation model (share issues or through assets sales) adopted by most government and outcomes in industrial relations. Testing their hypotheses on a sample of 3983 privatisations and partial privatisation that occurred between 1989 and 2008 in 55 developed and developing countries, they argued that governments are more likely to use the share issue privatisation because it is associated with lower labour cost adjustments and lower political cost for the privatising government, relative to asset sales. While their analysis may apply in some countries, a Dyck (2001) and
Megginson et al. (2001) maintained that in developing countries, the use of share issue or sale approach depends on a combination of exogenous factors such as the IMF influence and the strength and functionality of the existing national institutional framework and interests.

Drawing from two studies covering six countries and four sectors, Schulten et al. (2008) attempted to provide a direct link between privatisation and industrial relations. In their study which explored how privatisation led to the emergence of a new ‘Labour Relations Regime’ (LRR), they observed that the new LRR provided zero or in some cases weak links to the traditional public sector such as collective bargaining, employee representation and statutory regulations. The changes that emerged in terms of the existing collective bargaining, wage levels, employment conditions and employee representation, made clear who the winners and losers were in the sector. For instance, the LRR that emerged in the privatised sectors, occurred along a two-tier bargaining coverage levels, with the unions experiencing a relatively stable bargaining structure at the level of the incumbent (former public monopoly with large union membership) and then fragmented bargaining structures with the new competitors (new entrants with low or zero union membership). Another level of decentralisation which occurred within the LRR framework was a two-tier employment relations system, where survivors of the privatisation and the recruits in post-privatisation received different terms of employment. In their analysis, Schulten et al. (ibid) observed that in Germany, Poland and Austria, the survivors of the reform and recruits had separate labour regulations with the recruits accepting lower standards of contracts. While this two-tier industrial relations framework between the survivors and recruits is essential because it reveals the possibility of multi-level industrial relations framework within a sector, there remains a need for more in-depth study to explore the possibility of a multi-level LRR within and between companies and reasons for such dynamics, beyond the two-tier framework which Schulten et al. (2008) identified.

Ferner and Colling (1991), in their interpretation of the two-tier level industrial relations in former corporations in Britain and its implications, argues that privatisation and the change in the traditional patterns of public sector industrial relations are not as transparent or straightforward as the protagonists of the process believed. With references to numerous studies that highlighted the positive impact of privatisation (Megginson and Netter 2001; La Porta and Lopez-de-Silanes 1999), Ferner and Colling (ibid) challenged claims of assumed ‘success’ in the process due to evidence of massive cut-backs in employment, poor working conditions and decentralisation or absence of industrial relations in some cases.
In response to the negative influence of privatisation in terms of industrial relations, White and Janzen (2000) in their study of the privatisation of the Canadian mail service which led to the termination of 10,000 workers, also considered the role of the state. Here, they explored the concept of agreed contracts between the government, management and the unions and how these terms determined employees (survivors or the newly recruits) reality in post-privatisation. Following the privatisation of the sector, the government and the union agreement on the future of work was relegated in the sector, with instances of massive job cuts within the sector. In this case, while the government was determined to reduce cost through an initial redundancy process, the unions drive for strike actions and further negotiations with the government and management were less strategic. Although the study identified the breach in contract, its assessment of the role of the government failed to consider the absence of other underlining institutional interests that influenced the government’s decision to privatise the Canadian mail service and how they impacted the post-privatisation outcomes.

The Canadian government initiated other redundancy measures as a cost-reduction approach in a bid to make enterprises attractive to potential buyers. The privatisation process and level of employment cut, however, varied from voluntary redundancy freeze on hiring, layoffs and early retirement, based on the privatisation model (contracting out, partial or full privatisation) initiated by the Canadian country (De Lucas 1997). While the impact of the redundancy process could be significant, Colling and Ferner (1995) noted that the market changes might reverse or intensify the impact of the cost-reduction measures on employees. In their study, they observed how changes to the business needs through network expansions or merger in cases of British Gas led to re-hiring exercise, an improvement in employment levels. In the use of the cost-reduction measures in Europe, Hall (2009) observed massive redundancies in electricity sectors with over 212,000 jobs lost between 1990 and 1995. In Central and Eastern Europe countries like the Czech Republic and Estonia, the study observed over 30% of the jobs lost by 1999 in the electricity industry. In Hungary, the jobs lost in the electricity sector ranged from 33,700 in 1995 to 22,600 in 1998, nearly 33% in just 4 years.

Moreover, while cost reduction strategies such as redundancy, reduced employees benefit, and salary levels may vary between countries, Sheshinski and Lopez-Calva (1999) and Gupta et al. (2008) described the process as a U-curve strategy initiated to eliminate redundant labour in the short-run. Although they also argued that the employment cuts could be
regained, they also raised concerns on how the unions would regain the reduction in its membership within this U-curve. Especially in instances where the union are faced with difficulties recruiting new members either because of macro-level policy restrictions to unionism or changes in the internal labour market using flexible or casual employment. The use of flexible or casual employment not only replaces the traditional seniority-based systems which translate years of service to promotion in the public sector, with a more performance-based system but also has its negative impact especially for low-level employees (O’Connell Davidson 1994; De Lucas 1997).

It is essential to note that the industrial relations implications following privatisation are never straightforward but evolve within a nation’s political contingency. As a result, the union's response and negotiation strategy, which could either be confrontational or corporative are influenced by the political economy in which collective bargaining is embedded.

2.3.2 Reconceptualising Union Response to Privatisation

In the analysis of the government-union involvement during the privatisation process, it is also essential to understand that these relations do not occur on a blank slate but rather a complex process. The conceptualisation of trade union response to workplace changes has often tended to rely on militancy and co-operative dichotomy. For instance, while the militant responses vary from the outright refusal of the unions to negotiate or induce negotiation between management-unions to a partnership approach, which often relied on both parties meeting their needs. In Kelly’s (1996) nuanced position on rethinking industrial relations, he recognised the increasing diversity in the unionised workplace and the importance of the union to protect their right to strike and mobilise its members through collective action. In support for the union to maintain a militant position, Kelly (ibid) highlighted the dangers of the associating the union with moderate unionism and the importance of a collective action that would counter those of management. In respect to this position, Kelly (ibid) proposed a five-dimensional framework that would enable union actions such as membership resources, union’s goals, institutional resources, methods and ideology. Recognising that unions may not respond in the same way; Kelly’s framework spoke to the characterisation of unions, particularly in developed countries with clear institutional boundaries than those experienced in developing countries. Such that while moderate and pragmatic unions rely more on the employer’s goodwill, external legislation, collective agreements and non-bargaining
consultative channels, the militant unions place more emphasis on its membership mobilisation, adversarial ideology and single union representation.

In response to the militant’ or ‘moderate’ union debate, Bacon et al. (1996) analysis of the different levels of union involvement in the UK and German steel industry, presented a different perspective beyond that of the militancy and co-operative dichotomy. The study argues that decision of the steel unions to continue with their traditional approach cannot be interpreted without first considering various challenges that confronted the unions such as job losses, government hostility and a decline in union participation. While these challenges made union involvement at the plant-level and shop-floor in the UK increasingly tricky, their German counterpart, although faced with similar challenges, managed to sustain a strategic role made possible by its power (size) and extensive research resources. The German union understood that restructuring meant the transfer of control from the unions to management and thus the need for a more co-operative approach as against a militancy position which may have worked effectively in the public sector due to underlying political interest between the government and the union. However, while Bacon et al. (ibid) concluded that the relative lack of institutions led to the two-phase approach by the UK union, the study failed to consider other underlining factors such as the political objective that influenced reform in the steel sector and how that may have predetermined the management decisions in the UK and German sector.

Pulignano and Stewart (2013) interpretation of the dichotomy on union response to workplace restructuring in Ireland, Italy and the Netherlands, highlighted that unions engaged either through: cooperation based on job transition and confrontation based on job protection. The union's strategy to either confront (job protection) or collaborate (job transition) was however dependent not only the internal characterisation of the unions (Kelly 1996) but rather on the firm-level characteristics, the structural and socio-political framework within the broader institutional settings evident during restructuring. To which they concluded that unions’ response to restructuring is not automatic but a combination of firm-level characteristics, structural and socio-political features.

Pulignano and Stewart (2013) aligned with Paczynska (2007), who argued the union's ability to function given the government’s drive for autonomy through the change teams is dependent on the union’s ability to utilise its internal structure and incentives such as partisan competition, union competition and partisan loyalties within the present political context.
instance, in democracies, a union’s proactive measure involved lobbying officials, making alliances with political parties sympathetic to union interest and demands, resenting alternative restructuring proposals and appealing for public support through the media and protest actions. The emphasis here is on the union’s resources such as financial autonomy, legal prerogatives and experience gained from past encounters with the government and how that aided the ‘why’ and ‘how’ questions as the unions attempted to engage with the government during the privatisation process successfully.

For this reason, instead of a focus on the notion that trade unions are mere passengers, unions need a more rigorous conceptualisation of its response to privatisation. In this case, the unions are either active participants or oppositionist, whose strategies are influenced by external institutions, and internal ideological stance embedded into a broader socio-political context (Frost 2001; Mackenzie 2009; Martinez Lucio and Stuart 2004; Pulignano and Stewart 2013; Tuman 1999). Contrarily to the traditional approach of partnership or militancy, Mackenzie (2009) asserts that the trade unions involvement strategies are not easily predetermined. In the study of the Irish telecommunication industry, Mackenzie suggested that local unions in a bid for survival given the introduction of casual jobs through subcontracting and the underlining political context in Ireland, engaged with management and local partners as against taking an outright militant or cooperative position in the process. The conclusion following the trade unions engagement during changes in the workplace suggests that a union’s response is not a straight forward- partnership or militancy, as instigated by early debates (Bacon et al. 1996; Goldner 1970; Kochan and Cappelli 1982; Kelly 1996). Instead, it entails a strategy embedded into the political economy, the organisational and union framework (Katz et al. 2003; Pulignano and Stewart 2013; Meardi et al. 2009; Levesque and Murray 2005).

Therefore, to reconceptualise local union’s response to workplace reforms, Frost (2001) explains that there is need to explore their (unions) responses not just from the view of survival but its overall implications on the privatisation outcomes. In her study of three local union’s responses to workplace restructuring in North America, Frost analysed how the pressures of privatisation on local unions despite operating within the same political context, led to the union adopting either the interventionist or pragmatic approach to negotiation. The interventionist approach which occurred in Local M1 and Local C, saw local union representatives engage in negotiations with management at an early stage and in the process of designing, selecting and implementing the new forms of work organisation. The approach
was made possible by the power resources available to the unions and management’s willingness to engage. The same did not apply in Local M2, where the unions adopted a pragmatic approach because unlike the other unions, the absence of engagement meant that they had to wait for management to introduce policies and then negotiate its implications with the latter.

2.4 Post-Privatisation Implications: Union Power and Survival

Since the 1980s when the drum of deregulation, restructuring and privatisation became louder, trade unions have come under considerable pressure to alter traditional forms of workplace organisation. Privatisation has created significant challenges not just for work but management-labour engagement, which in many instances necessitated the introduction of new union strategies to cope with uncertainties in the changing environment (Arrowsmith 2003; Katz et al. 2003; Mackenzie 2000; Ross and Bamber 2000). Conventional wisdom links positive workplace outcomes for employees such as high productivity, high quality and low cost to new models of workplace organisation which includes the decentralisation of decision making, multi-skilling of workers and employee involvement to organisational reform. The assertion is that the unions through a strategic response would engage with management in the implementation of the new system through joint labour management initiatives or indirectly by responding to unilateral management implementation of the new system. The question, however, is, what constitutes the different response to changes during the process.

In the case of workplace restructuring, Frost (2001) argues that variations in industrial relations outcomes were not a case of management strategy alone but involved local union's critical role in the restructuring initiatives. The complexity here, however, is bargaining effectively in an increasingly decentralised environment where local unions rather than national unions are increasingly responsible for the negotiation of workplace changes (Fairbrother 2000; Katz and Darbishire 2000). The union policy decisions, according to Ferner and Colling (1991), ranged from hard-line industrial relations with the prospect of industrial conflicts or the preference for stability and continuity with the traditional approach to engagement. In their study, they observed that the move towards a hard-line or moderate approach was, however, influenced by the organisational ideology, technological change and market deregulation practices. Mainly because privatisation, unlike the publicly owned enterprises, introduced a complex web of the reorganisation of social relations by...
management to exploit commercial opportunities. So, for workers in the sector being privatised, it was more of a web of change, which included the decentralisation or centralisation approach, militancy or partnership approach to survival.

The concept of union partnership in Britain relinquishes the agenda of adversarial industrial relations for an agenda based on consensual interests, mutual trust and gains between actors, such as workplace participation and relations (Kichan and Osterman 1994; Martinez Lucio and Stuart 2004). The dramatic transformation of work since the late 20th-century has led to a dramatic transformation, from the traditional, class-conscious collectivism to the self-interested individualism introduced with privatisation. Consequently, for the unions, they must contend with the traditional collectivist principles and practices, if they are to survive the future (Bassett and Cave 1993; Brown 1990; Kelly 1998). The process involves a move away from adversarial collectivism of the past with a focus on a more cooperative, social partnership between labour and capital. (Brown 1990; Kochan and Osterman 1994).

The interpretation of which, according to Martinez Lucio and Stuart (2004) involves an understanding of the theoretical antecedents that underpins the social partnership agenda and the motives behind the partnership agenda for future employment relations. They put forward an idea that differs from the simplistic ‘good’ or ‘bad’ interpretation of partnership, by arguing for a framework sensitive to the complexity within the polity in terms of economic, political ideology and the regulatory framework, in the construction and evolution of the partnership agenda. One of these includes the principle of ‘mutual trust’ and efficacy on the premise that it is unfair for one party to ensure risks and costs which the other party is not willing to reciprocate. The implementation of which involves the message to achieve a competitive advantage through high performance, best practice and support of stakeholders in the organisation (Kochan and Osterman 1994; Martinez Lucio and Stuart 2004). Based on their assessment of interventions on the mutual gain enterprise and the ability of the trade union to adequate function, they argue that the choices made by these actors about IR are far more complex than union’s strategic approach. This is because the concept of partnership and dynamics involved within the relationship is embedded in other micro-political dimensions that may not always be beneficial to the union or employees.

The notion of partnership and mutual choice trust has been questioned by critics (Kelly 1998; Taylor and Ramsay 1998) who consider the idea of unifying the employer and unions interests as a danger to trade union survival. A crucial part of this debate was Kelly’s (1998)
position which questioned the idea of partnership and the drive to sustain such relations, which was in direct contrast to the marginalisation and hostility experienced by the union. Hence, Kelly’s proposition for a more aggressive approach to collectivism that is embedded into mobilisation rather than co-operation. Far from Kelly’s position and the Ackers and Payne (1998) assertion that the union should use the language of partnership and construct a hegemonic employee relation (militancy and moderation), this research takes a different position. The need to understand the complexities- resources and context that underpin the union and management strategies and the varied interpretation of partnership from the context of a sub-Saharan Africa country.

The debate on privatisation and its implication on national industrial relations systems have not only introduced new pressures on employee representatives but also raises questions on the notion of unionism, especially in ‘post’ reform. In Rodriguez-Ruiz’s (2015) interpretation of union responses in the study of corporate restructuring in Telefonica, the study calls into question Martínez Lucio and Stuart, (2005) notion of distributive gains and losses in terms of workplace partnership. The concept of workplace partnership in Telefonica was intricate, given that management exploited the mass anxiety in the face of unemployment for restructuring employment relations. To this end, the state introduced operational changes within the internal labour market through cost-cutting measures such as redundancy, voluntary redundancy, early retirement and outsourcing, which catalysed a significant transformation within the organisational fabric without any union objections. The implementation of these changes not only altered the traditional ideology of the internal labour market and the context of a partnership between the union and management but received minimal political resistance from the unions.

The unions’ responses to these organisational changes in Telefónica’s, according to Rodriguez-Ruiz (2015) was far from strategic as they adopted the ‘rather safe than sorry’ strategy, which resembled an exchange deal in which its bargaining power was replaced with the drive for a Collective Agreement. The arrangement reinforced the managerial prerogatives, constraints imposed by the political objective and subsequently eroded the traditional internal labour market. Such that the extent of the management-labour engagement and the risks or benefits involved were conditioned by constraints imposed by institutional interest, political context and alliances (Frost 2001; Hamman 2001; Martinez-Lucio et al. 2000). The interplay of these institutional constraints (high unemployment, a dual system of industrial relations and the historical interpretation of industrial relations) within the business
environment according to Rodriguez-Ruiz (ibid), was not an indication of the unions’ ‘weakness’ within the partnership framework during the collective agreement debate, but instead the only ‘alternative’. Following these changes, which reinforced managerial prerogatives and constraints in the implementation of industrial relations, there is need to explore further how constraints imposed by the historic political objective, internal division within the unions, information availability, economic challenges and the external labour market, contributes to the absence of a strategic response by the unions.
2.5 Conclusion

Public enterprises such as the electricity sector irrespective of the political ideology of the country (capitalist, mixed economies and socialist), are regarded as engines of social and economic development. They play a vital role in infrastructural development necessary for national economic advancement in both developing and developed countries. In developing countries, public enterprises are characterised as institutions for bureaucratic and political control over resource allocation, employment coordination and capital accumulation in the country. The above characterisation of these enterprises in the context of this research is a simplistic characterisation of state involvement in the market, introduced during the colonial era and finally evolved and replaced foreign control with indigenous dominance, controlled by the political elite.

Then came the 1970s oil-induced recession and the neoliberal debate supported by donor agencies, which challenged the structured and unstructured interventions by the state, which substituted organisational interest with political objectives. The propositions by the donor agencies, especially in developing countries through their development loans were on the basis that there is a direct link between private ownership and efficiency in public enterprises. Initially introduced through the World Bank Structural Adjustment Programme, the agenda by the 1980s, progressed towards the outright or partial sale of the public enterprises to the private sector. This assumed that the nationalistic, hierarchical, interventionist and redistributive character in the state-owned electricity sector, is partly responsible for the dwindling service delivery and economic performance in most countries.

In sub-Saharan countries, where the national interest influenced most government’s privatisation policy, the donor agencies economic motivation for privatisation such as the World Bank development loans strategy had a significant impact on how these governments implemented privatisation. Such that the rationale for privatisation in most developing countries, aligned with policy recommendations by the International Monetary Agency and empirical evidence on the acclaimed ‘successes’ in developed countries (Boycko et al. 1996; Boubakri and Cosset 1998; D’Souza and Megginson 1999; Huang and Wang 2011). Often relegating the fact that the rationale to privatise within the political economy of most developing countries, which however differs from developed countries, is more complicated than the conventional market versus state considerations may suggest.
Hence this study’s proposition for policy considerations beyond the change of ownership but one that explores how the pace, design and political objective to privatise (Jamasb et al. 2005; Joskow 2001; Newbery, 2002; Rowthorn and Chang 1993), influences the distributional outcomes especially on employee ‘voice’ in these countries with weak institutional framework. Part of the question which these developments raise is that of uniformity or diversity in terms of industrial relations outcomes and unions responses in the privatised sector. However, rather than focus solely on trade union’s attempt to conceptualise their response to privatisation and survival especially in developing countries, there is a need to consider a range of factors such as the historical relationship between the government and the unions, the polity within the country and the resources available to the union and organisational framework. At this point, the question on union’s responses to privatisation moves beyond the simple dichotomy of militant and corporation. In recognition of how the unions respond differently to privatisation, arises the need to explore the debate on privatisation and industrial relations beyond the firm-based characterisation of union’s response and survival. More comprehensive insights into the union’s response to change and survival strategy involve insight into the political economy in which the privatisation model and union power dynamics are embedded. In the case of a sub-Saharan African country such as Nigeria with weak institutional environments and the ‘absence’ of an efficient regulator, there is a question of how the complexity of the external and internal factors predetermines the privatisation process and the union’s response.
Chapter 3

Research Methodology

3.0 Introduction

The chapter discusses and justifies the methodological framework adopted in this research. The analysis in the research relates to privatisation in the Nigerian electricity sector and its industrial relation implications. The research design was not merely a case of adopting one technique over the other but rather decision based upon on the suitability of the philosophical underpinning and how it aligned with the aims of the study. The chapter outlines how the research agenda and framework was formulated for this study. Adopting an empirical analysis that is both qualitative, exploratory, and within a case study design, this chapter discusses the reason for the research approach and method adopted. The researcher begins by identifying the aims of the research, the research questions and the possible relationship between the aims and the location of the research. The rationale for the selection of the case study approach is then justified in terms of developing the research agenda. The chapter then moves on to the methodological considerations in terms of the ontology and epistemological beliefs and justification of the case study framework that informed the research design. The discussion moves to the research techniques for data collection, the data analysis process and an assessment of the credibility of the data. The chapter concludes with a deliberation on possible ethical considerations in the study.

3.1 Research Aims, Location and Questions

The research was based upon the case study of the Nigerian electricity distribution sector, which got privatised in 2013 following the unbundling of the monopoly into eleven distribution companies in 2005. The fieldwork which was conducted in 2015, focused on three distribution companies (Qwest, Exon and Kank), chosen based on specific characteristics such as their regional location and political characterisation, organisational size and coverage, union membership and their implementation of the Labour Based Agreement (LBA) reached in 2011. The LBA was an agreement between the government and the sector-based union (ZEA), which outlined terms for employment contract transfer and with a promise to protect ‘employee voice’ in the privatised sector. The terms outlined in the agreed LBA contract covered labour concerns such as wage structure, six month fixed
contracts, job security, career progression, union involvement at the company levels, skill development, severance pays and entitlement. However, at the time of this research (2015), two years after the transfer of the assets to the private sector, the employers not only faced zero sanctions from the regulator but were yet to reach an agreement with the ZEA on possible restructuring of the LBA. Hence the research focus, which explored how the political economy influenced the macro and meso level negotiations between the government and ZEA, and the interpretation of the LBA within the cases. The reference to the three distribution companies was not done to explore the implementation of the LBA in the privatised electric distribution sector, but part of a broadly conceived aim that explored how the underlining political objective to privatise, its implementation, the regional and organisational differences, influenced how industrial relations evolved within the privatised sector. In order to explore these issues, the research focused on how the political economy to privatise the sector, predetermined consultations at the negotiation levels (national, sector, regional and chapter) between representatives of ZEA and the government ‘pre’ and ‘post’ 2013.

In order to explore these organisational changes, the thesis presents an account of the political considerations to privatise, the negotiations between the government and the ZEA, the regulatory and political challenges that emerged. For a country like Nigeria, where the political structure and regional representation interfered in policy advancements, and the interpretation of the law in both the private and public sector, the implementation of the LBA cannot be divorced from politics. Hence, the focus on the macro-level for a comprehensive investigation of the dynamics involved in the implementation of the LBA at the meso level. In order to achieve this objective, different sites at the macro and meso levels were visited to obtain the needed information and set the scene for the research. This was imperative because while many accounts on privatisation, in sub-Saharan African country like Nigeria, have focused on the infrastructural development, technical advancement and redundancy implications, the employment relations implications post-privatisation needed more referencing. The challenge, however, was the shortage of secondary data on the issue of industrial relations in the sector. So, in the case of the Nigerian electricity distribution sector, the research needed to recruit a reasonable number of participants at the macro and meso levels to curb the underlining data challenges and minimise information discrepancy within the sector on important issue such as regulatory challenges, the political motivation and on the implementation of the LBA at the company levels.
The Nigerian electricity sector provided a methodological quality that is consistent with the aims of the study, due to the vantage position of the cases (regional differences) and the underdeveloped regulatory framework. Also, the contrast between the political interpretations of the real issues in the sector, from that of the ZEA had far-reaching effects in the privatised sector. These processes were embedded into a complex framework that influenced not only the historical and contemporary industrial relations in this context of research but provided an analytical framework on industrial relations at the ‘macro’ and ‘meso’ levels in sub-Saharan Africa. The focus on organisational change within and between the three cases, traversed the political-economic history to include the individual social interpretation of the reform in the electricity sector. The characterisation of the respondents involved at the macro and meso level are indicated below:
Table 3.1: The Data Plan for the Electricity Distribution Sector

<table>
<thead>
<tr>
<th>No</th>
<th>Job Responsibility</th>
<th>Macro Level</th>
<th>Meso level (Local union representatives, Site managers, employees at unit levels)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Union (ZEA) Central representatives</td>
<td>Qwest Distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Policy Levels (PEA, TFP, EPC, ERC)</td>
<td>Exon Distribution</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kank Distribution</td>
</tr>
<tr>
<td>1</td>
<td>The Public Enterprise Agency (PEA) Representatives (Directors Managers, Deputy Managers)</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The Electric Power Committee (EPC) representatives</td>
<td>4</td>
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<tr>
<td>3</td>
<td>Task Force for Power (TFP) Representatives</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Electric Regulatory Commission (ERC) Representatives</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The ZEA Representatives (National regional and chapter representatives)</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Company Management (regional and unit levels)</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>7</td>
<td>Local union representatives (Shop-floor) and supervisors</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Employees (Survivors, new recruits and fixed contracts)</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>
The above diagram is a representation of respondents across different levels of the macro and meso levels that enabled the study access to the multi-level interpretation of the organisational changes across diverse interests within the sector. At the policy level (macro-level), the research engaged with directors, managers and deputy managers and representatives from the Public Enterprise Agency (PEA), Electricity Regulatory Commission (ERC), Electricity Power Committee (EPC) and Task Force on Power (TFP). This multi-level interactions at this policy level provided insights into the privatisation process, the underlining political interest beyond the simplistic transfer of public to the private sector, the labour and regulatory challenges in terms of monitoring and sanctioning.

At the ERC level, the respondents consisted of representatives from different divisions, such as the enforcement units and the sanction division, who provided insights into the enforcement responsibility and challenges in the sector. The decision to explore individual respondents across these levels and their social interpretation of the process was based on the initial interview with Dr Ogonou, Director PEA, who noted that:

> The political agenda to privatise the electricity sector and the government’s strategic framework was the responsibility of not just the PEA but a variation of government agencies. The main agenda was to adopt the best alternative, which as far as the government was concerned involved in a takeover of the failing electricity sector by the private sector. A decision reached after years of changes in the sector achieved limited success.

> (Dr Ogonou, Director PEA).

For Engineer Abdul, his characterised the privatisation process during the initial pilot study indicated a multi-level process that was rejected by the union. He noted that:

> The immediate focus of the regulator as a representative for the taxpayers was to initiate a reform process that would revive the failing electricity sector. In our meetings with the union and other government agencies, we explained this and advised ZEA that their concerns would be investigated with time. Even the PEA tried to communicate this to the union, but the fight was long and hard.

> (Engineer Abdul, Manager, ERC).
Therefore, the government’s attempt to implement the restructuring and privatisation of the sector between 2001 and 2010 as noted above, with no clear employment relations propositions raised more research questions. In other to explore this policy framework and the labour concerns raised, the study engaged with trade union representatives at the macro level, and participants at the meso level (shop-floor representatives, unit managers, supervisor and employees across different levels). At this level, the focus was more about understanding the respondent’s social interpretation of the privatisation process, the collective bargaining at the macro level and its challenges at the company levels. Part of the aim was to understand if there were possible similarities and differences in the implementation of the LBA between the cases and why?

At the union’s level, the discussions with employee representatives at the regional, chapter and national offices, explored their interpretation of the LBA processes, its implementation, agreement and future at the macro and meso level. For more on the outcome at the meso level, the study selected respondents (local union representatives, managers, supervisor and employees) at the three distinct cases- Qwest, Kank and Exon distribution companies, with knowledge on the location, economic and political characteristics of customers, regional differences and organisational characteristics. The characteristic of the cases includes:
Table: 3.2: The Characterisation of the three Cases

<table>
<thead>
<tr>
<th>Description</th>
<th>Qwest Distribution</th>
<th>Exon Distribution</th>
<th>Kank Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer Coverage</strong></td>
<td>Five States</td>
<td>Four States</td>
<td>Four States</td>
</tr>
<tr>
<td><strong>Regional Differences</strong></td>
<td>Average Economic indices, Highly political, High security</td>
<td>Medium economic indices, Averagely Political, Average security</td>
<td>Mixed (Medium and Low) economic indices, Highly political, High insecurity</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Southern Region</td>
<td>Middle-belt Region</td>
<td>Northern Region</td>
</tr>
<tr>
<td><strong>Union Membership (Varied since privatisation)</strong></td>
<td>90%</td>
<td>70%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Organisational Characteristics</strong></td>
<td>The consortium with 60% shares to the private sector while 40% remained with the state.</td>
<td>The consortium with 60% shares to the private sector while 40% remained with the state</td>
<td>The consortium with 60% shares to the private sector while 40% remained with the state</td>
</tr>
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</table>

**Source:** The data collected during the fieldwork (2015)

The central question that arose given these similarities and differences between the cases was how to determine the extent to which these factors highlighted above, together with the political economy in which the cases are embedded influenced employee voice in the sector? This then led to several research questions. What was the underlying political objective to privatise, and what factors determined the process? How did the government’s communication of privatisation and union responses between 2000 and 2011 influence the collective bargaining framework for the LBA? What were the competing rationales during the LBA negotiations? How did the implementation of the LBA vary between companies and why? Finally, to what extent did the LBA protect employee voice or was it just a policy strategy by the government to achieve its political objective to privatise and why?

Given these questions on ownership change and the underlining political motivation to privatise, the study undertook the analysis of responses from the macro (government agencies, ZEA and the regulator) and the meso levels (employees, local union representatives and non-union members). Hence, the priority of individual interpretations to changes that occurred within this social process (Becker et al. 2006; Bryman 1998), to support the idea
that the use of a qualitative, case study research approach for the data collection analysis was most appropriate. The aim was to support the debate that privatisation and its industrial relations implications in sub-Saharan Africa like Nigeria, is beyond the change of ownership debate (Rowthorn and Chang 1990).

### 3.2 Methodological Considerations

The research questions under investigation which in this case focused on the degree of stakeholders’ involvement at the macro and meso level, political objective and the level of control over events, determined the choice of methodology (Saunders et al. 2012; Yin 2009). While the study explored the broader political and economic considerations that informed the decision to privatise, the research interest also considered the processes, and negotiation between representatives of ZEA and the government across different levels (national, sector and chapter). The ‘how’, ‘what’ and ‘to what extent’ questions were answered through a qualitative as against the quantitative approach (Gill and Johnson 2010; Patton 2002; Snape and Spencer 2003). The process involved a data generation approach across different levels at the macro and micro level through a case study approach as outlined below:

![Figure 1.1: Research Design on Privatisation and Industrial Relations Outcomes](image)

**Source:** The ZEA Communication Channels in NEDS (ZEA 2010).
The above model is a representation of the capital-labour relations that existed within the distribution sector. To enable the research, answer the ‘why’ and ‘how’ questions, the model, initiated an inductive process, that represented the central focus of this research. This involved the individual respondents (managers and employees’) interpretation of the privatisation and labour relations outcomes at the macro and the meso level and the reality of the LBA between cases. The data at the macro level is used to develop a contextual background, for an in-depth understanding of employment and industrial relations outcomes at the meso level. The aim is to develop a conceptual framework for interpreting industrial relations outcomes in post-privatisation in the sector, which, to the best of the researcher’s knowledge is underdeveloped.

The onus to achieve the above research objectives required an understanding of how these distinct levels interact and influence the industrial relations implications at the company levels. The suitability of this qualitative approach given the varied interests that exists within relations between the levels (macro and meso), supports the argument that the qualitative approach, in this case, is more complicated than standard typology of subject-object distinction of research methods based on debates in social sciences (Cunliiffe 2011; Morgan and Smircich 1980; Morgan and Drury 2003; Ratner 2002; Sullivan 2002). The negotiations that occurred across these levels is of importance given the exclusion of the ZEA at the final stages of privatisation and subsequent redundancy that occurred between 2014-2015 which not only contradicted the LBA but also led to zero sanctions for the privatised companies. Hence, the methodological justification for research that explores the individual interpretation of this social process of privatisation, the sustainability of the LBA, the political objective to negotiate with the ZEA and the industrial relation implications.

3.2.1 Fieldwork and Case Study Justification

The use of the term ‘case’, associates to the intensive examination of a case study within a location or organisation through qualitative measures (Bryman 2012). For this research, the study explored the privatisation of the NEDS and the industrial relations implications. The case study strategy initiated here just as (Gomm et al. 2000; Easterby-Smith et al. 2012) suggests, involved an in-depth, multi-level, analysis of events over-time within the three distribution companies, from which data were collected and analysed. The focus on the multiplication of interests within the distribution companies or cases, supported the decision
for a case study approach unlike the social survey and experiment approach, because the case approach helps in the generation of intensive and detailed examination of employees concerns that exist within the electric sector (Hammersley and Gomm 2000; Saunders et al. 2012; Yin 2009). The variance with the social survey approach is that while the later gathers data across a wide range of dimensions and cases without an in-depth analysis of each case, the use of the qualitative case study in the study would ensure fewer cases are investigated in considerable depth (Gomm et al. 2000; Yin 2009). Thereby, allowing for what Edwards (2005) termed as a holistic approach in the understanding of how the government’s approach to privatisation influenced and continues to influence the industrial relations outcomes within the three companies (Exon, Qwest and Kank Distribution companies).

The suggestion that the case study often favours qualitative methods was, however, challenged by Bryman (2012), who maintained that rather than focus on the suitability of quantitative or qualitative methods, the research should be more about its interests which invariably determines the research questions. The approach taken in this thesis reflects the interpretation of a case study approach that involves the use of the ‘how?’ ‘What?’ and ‘Why?’ questions (Campbell et al. 1982; Hendrick et al. 1993; Saunders et al. 2009; Yin 2009), and traces social relations between respondents’ overtime. In this research, the “What” and “How” will be used to ascertain ‘how’ the political motivation, predetermined ‘what’ approach the employers in these cases (distribution companies) initiated in their interpretation and implementation of the LBA terms and why possible differences or similarities emerged in the privatised sector.

In line with Yin (2009), the research adopted a strategy that ensured that the research location and units of analysis, aligned within the parameters of the research interests. This involved the inclusion of a multi-level research design, which, in this case, was essential because of the institutional peculiarity of the political economy in which the companies are embedded. The process entailed an intensive and inductive multi-level analysis that explained the social processes and interrelation that exists between the regulatory, political, regional actors, unions and privatisation agencies. This was needed to achieve a comprehensive analysis of the case study (Hamel et al. 1993 Easterby-Smith et al. 2012). The choice of the case approach in this context also considered other factors such as the regional location, size of the companies, union membership and political interest that elucidate the unique features of these cases. More in line with Schofield’s (1993) argument, which maintains that the choice for case sites should be centred on its ‘fit’ within the research aims rather than convenience.
Therefore, the decision for the choice of cases from (Exon, Qwest and Kank distributions) were not based on a mere guess but their ‘fit’ within the preliminary documents of privatisation and the research questions. The focus was not to achieve a macroscopic objective (moving from a single to a global representation) but rather what is practical in terms of the research objectives and its validity (Bourdieu 1992 quoted in Hamel et al. 1993).

3.2.2 Philosophical Underpinnings of This Research

The study’s focus on privatisation and labour relations implications, especially in post-privatisation, is not a straightforward process, because it is not about the processes alone but the human interpretation of the dynamics that occurred. Therefore, the ontology and epistemology adopted to answer the research questions raise questions on the researcher’s view of the social world under investigation (Benton and Craib 2011). For the positivist tradition, the social reality within the cases is independent of the social actors and could be achieved through rigorous methodological processes that are independent of the individual interpretation (Easterby-Smith et al. 2012; Gill and Johnson 2010; Irwin 1994). Its focus on ‘facts’ rather than a subjective interpretation of truth through quantitative research techniques ignore the subjective dimension of human actions, understanding and interpretation of the privatisation implications (Giddens 1976; Gill and Johnson 2010), which is the focus of this study.

For a study interested in explaining the social world and individual interpretation of it, its view about knowledge and the process through which such knowledge is developed (Johnson and Clark 2006; Saunders et al. 2009; Wass and Wells 1994) is not about testing theory through observation but creating generalisation through observation. The explanation of human behaviour in a social context (Gill and Johnson 2010) of the electric distribution companies across the three cases located in distinct regions (north, middle-belt and south), involves Kolb’s (1979) experiential learning cycle. The cycle provides a detailed analysis of how to gain knowledge about the social world through an inductive approach. This inductive approach, according to Kolb (ibid), allows for the reflection of events that occurred during the privatisation processes, as part of the data-gathering phase. For instance, the effect of the transfer process (60% sale of the agreed aggregate technical and commercial loss) and the LBA characterisation, which could be linked to identifiable patterns that are then used to develop explanations. The report of which is used to develop theories or give generalisations
that explain past or predict future outcomes (Gill and Johnson 2010; Johnson and Clark 2006).

An alternative is a deductive approach which involves the development of concepts-impressions that individuals use to make sense of the world, and such is then tested through empirical observation and the application of theory; to create new experiences or theories. Each research approach maintains unique features that align with specific research aims and objectives. Therefore, each philosophy is informed by its ontological and epistemological interpretations of the social world. The philosophical assumptions made in this study when interpreting the research questions will go on to justify the adopted methodological approach. Its relegation of human subjectivity in the research process gave rise to an inductive ontological and epistemological philosophy, which focuses on how respondents made sense of their social world (Giddens 1984; Sayer 1981; Gill and Johnson 2010). This analogy resonates with the argument that actors have different perceptions and views about the social world (Cunliffe 2001; Remenyi et al. 1998). Such that instead of a focus on the positivist interpretation of facts, the aim is to gain insights into the social world by appreciating different meanings which respondents provide about their reality (Easterby-Smith 2012; Saunders et al. 2012).

In order to achieve these aims, the study set out to explore the institutional changes that occurred during and post-privatisation across the macro and meso levels and how these changes informed and determined the respondents’ interpretation of the LBA terms in the sector. The subjectivity of the respondents across the two levels and their different perception of privatisation and the LBA informed a reality which differed from the representation made by policymakers. So, for the study, it was about assessing how respondents made sense of changes that occurred or were occurring (2015), in the privatised sector, the influence of factors outside their control and how these factors impacted outcomes. This involved the use of semi-structured interview sessions, graphic representation through focus group sessions and secondary data with reports from the Ministry of Power, the ZEA, PEA, and ERC. The data collected helped traverse the historical political motivation to reform and the development and restructuring of the capital-labour relations. The decision on this approach contrasts from the deductive conceptualisation, where hypotheses are tested to confirm or contest a theory, by insisting on the objectivity of the respondents (Easterby-Smith et al. 2011; Saunders et al. 2012; Willig 2011).
3.3 Research Techniques for Data Collection

The data collection process adopted in the research involved triangulation of multiple sources of data through a collection of qualitative techniques. The aim was to conceptualise how respondents across the macro and meso levels, as earlier mentioned, interpreted changes within their social processes in terms of privatisation and its implications. Part of the concerns explored during the process was the absence of legislation that would protect employees in case of a breach in the LBA contract and how that invariably strengthened the unbalanced power relationship between the employer and employees.

The data sources included semi-structured interviews, graphic representation and documentary analysis. The documentary analysis of secondary sources of information provided background information on liberalisation and privatisation, and changes that have occurred in the regulation of employment relationships. The primary empirical data consisted of semi-structured interviews, diagram elicitation with employees (survivors and newly recruited), local union representative (chapter and unit levels) and the union leadership (national and regional levels). The interview sessions with national and local union representatives explored specific themes such as the nature of industrial relations during the reform, the negotiation levels, the LBA agreement, the decentralisation of ZEA involvement and institutional challenges to industrial relations post-privatisation. The response, especially between the local union representatives, differed because of the organisational, regional, political and union dynamics in the networks. The interview sessions were supplemented by focus group sessions where participants were asked to discuss these themes and elucidate their thoughts through a diagram representation. In order to reduce bias at this phase, different classes of employees (both survivors and recruits with different contracts) also took part in the interview and diagram elicitation processes.

3.3.1 Semi-Structured Interviews

Undoubtedly, data gathering through interviewing is perhaps the most common method of data collection in qualitative research. However, the decision to use semi-structured interviews as one of the methods for data collection in this research was not based on its popularity in previous researches, but because it is one form of research method which elicits in-depth and detailed data needed for the study (Rubin and Rubin 2005). Semi-structured interviews or interviews in general, unlike any other conversation, are guided questions with specific structures built around given philosophical and methodological underpinnings, aimed
at achieving research objectives. The semi-structured interviews, in this case, was conducted with employees and managers at the macro and meso levels to elicit their perspectives on changes within the sector.

The use of the semi-structured rather than structured interviews were regarded as most appropriate, in gaining an in-depth understanding of the privatisation process. Through the interview sessions, the research explored individual respondents’ interpretation of privatisation and industrial relations outcomes at the macro and meso levels, as a way of constructing an analytical and theoretical contribution to scholarly knowledge. Given the need for more rigorous empirical studies on post-privatisation and labour outcomes in sub-Saharan Africa like Nigeria, semi-structured interviews were appropriate, for in-depth insight, an opportunity to probe when needed and for the respondent to explain and build on their responses. Imperative especially for this research, where the researcher engaged with respondents at three levels (policy makers, trade unions and company), their use of phrases and language provided the opportunity for further probing. Another critical aspect of the semi-structured interviews is that it provided an opportunity for the research to explore the varied interpretation of the political interest to privatise the electricity, the privatisation model and the existing industrial relationship within the sector, which may not have been possible through a survey process.

At each of the three distinct levels, the interview questions aligned with the research questions, the type of knowledge which the study intended to achieve (here the subject problem were intended to guide both the questions and data analysis) (King and Horrocks 2010; Saunders et al. 2009). At the macro level (policy level), the researcher designed semi-structured interview questions that centred around policy changes, government privatisation approach and its implementation from between 2000 and 2015. The study engaged senior directors and managers involved in the liberalisation, privatisation and regulatory processes.

The interview sessions with national and local union representatives were in line with specific themes such as industrial relations in the reform, the negotiation phases, opposition to the reform, the LBA agreement, challenges and concerns, decentralisation of involvement, institutional challenges to industrial relations and absence of the regulator. The response, especially from the local union representatives, differed because of the organisational, regional, political and union dynamics in the networks. At the policy level, the structure and timing of interviews were arranged to suit each respondent’s availability. The themes of the interviews were in line with restructuring, the privatisation process, policy considerations, the
involvement of the unions, union’s relegation, enforcement and sanctions, regulatory independence and implementation of the LBA.

At the company level, the semi-structured interview with managers, local ZEA representatives, supervisors and employees, probed deeply into the new themes discovered during the interview sessions with policymakers and trade unions. However, for standardisation, the same semi-structured questions were used for the managers, unit-level employees (survivors and recruits) and local shop-floor representatives across the cases, even though the order varied depending on the conversation (Saunders et al. 2009). Imperative, because contrarily to ‘success’ of privatisation, evidence suggests that privatisation does not result in a straight forward outcome as the process involves a lot of dimensions and institutional considerations (Frost 2001; Mackenzie 2009; Pulignano and Stewart 2013; Tuman 1999; Xelhuantzi-Lopez 1997). Therefore at the company level, the semi-structured interviews with employees focused more on their understanding of the transformational experience of work and industrial relations activities in the workplace between 2001 and 2015. The interview questions varied between oral history on working life biography, the changes that emerged and variation between companies within the same sector since the process. Such narratives allowed respondents to provide a report on the sequence of events during a process (McGuire 1990; McKenzie 2007). For Gummesson (2000), this approach was appropriate to allow respondents to make sense in the connection of the past and present industrial relations conditions.

3.3.2 Diagrammatic Elicitation

The use of a diagram or what Umoquit et al. (2013) referred to as diagrammatic elicitation, was adopted during the interviews at the company level. Diagrammatic elicitation here refers to a process were participants create original diagrams as a way of expressing their interpretation about a research context. In Umoquit’s (2011) work, they discovered a significant rise in studies using diagramming as a source of data collection for constructing a map around a research framework. In their recent work, Umoquit’s (2013) argues that the use of diagrams in research can either be a product or a subject for further probing. For Mers (2008), the use of diagramming also serves as a tool for data collection, analysis and construction of agreements that would enable further research. Hence, diagramming elicitation was used in the research during the group discussions rather than during the one on one interviews with respondents. Here, the respondents were provided themes and asked to reflect on the privatisation process and changes in the industrial relations framework within
their companies. The discussions were then recorded and analysed together with their diagrams. The data collected at this stage, not only introduced new themes but new questions that were further probed during the interviews. The results were similar to Kesby’s (2000) study, where the participatory diagramming technique was used to aid the researcher in accessing in-depth knowledge around a social phenomenon, that may not have to be possible solely interviewing the participants.

However, just like the approach adopted by Kesby (2000), respondents who participated in the sessions were employees within a similar hierarchical position in the organisation. The aim was to create a comfortable environment for respondents to share their interpretation or perception about employment conditions and organisational practices without fear of victimisation. In each of the case, there was a separate session for managers and employees, to reduce any form of bias during the process with the researcher being in control of the process. An essential aspect of diagramming which this research aimed to achieve is what Monk and Howard (1998) referred to as “rich pictures”. A rich picture depicts the interrelations and interactions around a research context. The representation of these organisational characteristics further illustrates the point that diagramming can occupy and reinforce data gathered from written text and verbal discussion (interviews) (Banks 2001; Richards 2002; Umoquit 2013).

3.3.3 Secondary Data

Secondary data used in the study included unpublished and published policy documents from the Ministry of Power, the PEA, the ERC and the ZEA. These documentations, although limited, however, offered insights and additional knowledge to primary sources of data. The data from the PEA and the ZEA provided partial information on the privatisation processes, the LBA arrangement and the political and regional interests throughout the process. Even though the researcher had to secure access to these documents, the use of secondary sources of data ensured the availability of data; minimising cost and time; and the ability to compare the information with other data sources.

Information from secondary sources provided useful background and helped validate specific data from primary sources. However, it was crucial to decide the level and type of information that would be collected. While semi-structured interviews and focus groups were used to collect primary data across the three levels; the secondary data focused on policies and procedures. Such recorded information gave insights into changes and the monitoring
process. Also, as privatised companies continued to operate, changes continued to occur, which may not be observable through secondary sources. This is where primary sources of data are essential to ensure that data obtained are consistent with changes in the electricity sector.

3.4 Procedure for Data Analysis

The data analysis process of the semi-structured interviews, diagramming elicitation, participant observation and secondary data, are recorded and safely stored in password computers. The written transcripts during participant observation were anonymised and stored away safely. During the observation process, participants were not under any pressure to provide information and could request the researcher not to record specific events. The semi-structured interviews were recorded, transcribed and backed up (Patton 2002). Transcribing, in this instant, entailed the reproduction of the interviews as a written account in the actual word used by participants. Even though the process was time-consuming, the analysis stage needed to record what is said, and the tone used. Imperative because according to Saunders et al. (2012), transcription should not only include what participants have said but also the tone of voice used during the communication. The emphasis on the tone of voice by Kvale and Brinkmann (2009), insisted that without such additional information on the tone of voice during the transcription, data will not be very encompassing.

After the transcription process, the researcher read through the transcripts and notes obtained during participant observation, to develop themes into related categories (Easterby-smith et al. 2012). The first stage after reading through the transcripts was what Easterby-smith et al. (2012) referred to as a conceptualisation stage; this is where already established themes and further themes are developed. The next stage after that is familiarisation and reflection stages, which involve the re-reading of transcribed documents and information obtained during the observation process and secondary sources. After transcribing, the data was then disaggregated into conceptual units or themes. A Computer-Assisted Qualitative Data Analysis Software (CAQDAS), NVivo, was used to increase transparency and methodological rigour (Saunders et al. 2012). The use of NVivo ensured that data was stored in the word format, audio transcripts edited, words or phrases searched and retrieved, and the materials centred around main themes that can be recorded systematically (QSR 2014). For clarity, the intent was to ensure that the study developed an interim summary, which
contained details on how information obtained could be supplemented and used to achieve the research objectives.

The analysis of the data at this stage explored the themes and narratives that emerged in the interpretation of the varied negotiations at the macro levels between government agencies (ministries, legislative and regulatory bodies and the union representatives at the national, regional and chapter levels). The analysis also explored issues raised by local union representatives, network managers (at the distribution companies), employees and non-union members on the issues such as job security and the involvement of the union in the implementation of the LBA terms. In a qualitative study such as this, a subjective position was adopted to explain how individual participants in the sector made sense of their experience pre and post-privatisation. To capture these issues, the data collation phase occurred along with themes that explained the dynamics within the sector beyond ownership. The themes here refer to distinctive and recurrent features in respondent’s accounts and secondary data which are relevant in answering the research questions. However, the critical point in the thematic analysis is not just to produce themes but to ensure that all the themes are related to each other within established research objectives (Braun and Clarke 2006; King and Horrocks 2013; Stake 1995).

The process aligned with Stake’s (1995) proposition for the use of direct interpretation and aggregation, to make sense of the diversities within the cases. However, unlike the aggregation of categories that adopts an objective problematic approach, the use of a direct interpretation approach enabled the researcher to adopt a more subjective approach to make sense of diversities within the cases. Among which was the unbalanced power relationship that empowered the employer over employees, with implications on the research design. Part of the implications, as noted in the ZEA Union report (2011), ‘was the total reliance of employees on the employer with no option to oppose the government’s decision’. This organisational structured posed some challenges, in terms of gaining the support of respondents to partake in research studies for fear of possible job loss. To combat these fears, the research provided a contract letter for respondents with details on the ethical consideration of the research and the fact that their details and personal characteristics would be anonymised.
3.5 Ethical Consideration

The research recognised and incorporated ethical considerations in its request for access and conduct of the research at the macro and meso (company) levels. The research ethics were in line with the university ethics standard for academic research. This influenced the entire process to ensure academic excellence, integrity and professionalism. Moreover, what was initiated by the researcher included procedures for data collection, transmission, analysis and presentation.

The researcher gained voluntary consent from respondents before the research commenced. However, to ensure that these respondents were adequately informed, the researcher provided a formal powerpoint presentation on previous empirical studies on privatisation and employment relations. The presentation included a detailed overview of what the research intended to achieve, how it would benefit employees, and what was expected of participants. After the presentation, an information document about the research and consent form was made available to employees. As the study progressed, issues such as participant’s right to withdraw, informed consent, the confidentiality of data, management of data and safety of the researcher were reiterated throughout the entire study.
3.6 Conclusion

The research aimed to gain a comprehensive insight into the changes within the privatisation of the Nigerian electricity sector and its industrial relations implications. This is highly imperative because even with the growing trend for the liberalisation and privatisation of public enterprises, most empirical studies in developing countries have focused on the economic and technological objectives of the process. The theoretical and empirical debates on industrial relations remain one of the interests, particularly with the near-absence of empirically rigorous studies of possible changes, post-privatisation. Such studies are needed to counterbalance the advocates of privatisation in developing countries, assertion that the process would promote efficiency, performance and employment in the national context. The debate was based on the ‘success’ stories of privatisation in developed economies, which served as the foundation for subsequent theoretical debates promoting privatisation in the electricity sectors across countries. Contrary to these assumptions are mixed reports of industrial relations, which resulted in high job losses and increasing use of non-standard work arrangements as outcomes of the process. The introduction of these changes has also led to the re-conceptualisation of trade unions strategies in the workplace.

In order to assess these dynamics, this research contrasted the government’s objective to privatise, the LBA reached between the government and ZEA during the reform, with the industrial relations outcomes in post-privatisation. Through a multi-level structure which involved a combination of secondary sources of data and qualitative research techniques with respondents at the macro and meso levels, the study was able to obtain data on the individual interpretation of their social reality across the three cases. The use of semi-structured interview questions, focus group session, graphic representation and secondary data sources, allowed for a comprehensive insight into the political interpretation of the reform in the electricity sector which pointed to the historical interpretation of reforms in the sector and how practices within those political regimes (the 1940s and 1990s) influenced the governments proposition for privatisation in the year 2001.
Chapter 4

Restructuring of the Nigerian Electricity Distribution Sector

4.0 Introduction

The Nigerian electricity sector has undergone fundamental changes since its inception in 1896, following state-driven reforms that took place between the 1940s and 1980s. The reform which occurred across three political regimes (colonial, democratic and military) between the 1940s and 1970s, were based on the premise that the state’s involvement in the electricity sector remained the best solution to the operational and management issues. However, after the 1970 era, it was evident that the public sector investment conservatively estimated at 800 billion naira had made no significant impact on the supply-demand gap in the sector. The government response to the dwindling distribution level was a policy initiated during the Babangida military regime in 1988, which promulgated the Privatisation and Commercialisation Decree (now Act) (Alabi et al. 2010; Obaji 1999). The Decree supported the introduction of the Structural Adjustment Programme (SAP) in 1988, which attempted to restructure the electricity sector for private sector participation. Even with the SAP policy, which promoted the concept of privatisation, the government only succeeded in replacing efficiency with political interest. Such that despite these reforms, the sector remained inefficient with a distribution level extremely lower than most developing countries. The challenge, however, was that these reforms, focused more on promoting the underlining political ideology of the regimes for political dominance and regional representation, instead of a comprehensive strategy for efficiency in the electricity distribution sector.

Secondly, employment relations debate during these reforms was non-existent, especially during the military regimes (1970s-1990), due to the authoritarian approach of the regimes which saw the union as obstacles to development in the sector. As a result, what occurred in the sector, were politically motivated reforms that focused on organisational change with no recuse to the employment relation implications. This chapter provides a holistic insight into the political interpretation of the reform between the 1940s and the 1990s, the role of the state in the process and how this historical-political framework evolved into the privatisation debate initiated between 1999 and 2013. Through an examination of the political ideology that influenced the privatisation agenda outlined in the Privatisation and Commercialisation Decree of 1988, the chapter aims to develop a context on how these reforms influenced the
democratic government’s (2000-2015) privatisation agenda and the trade union response to the process.

The chapter begins with a review of the economic, structural and management reforms in the electric sector between the 1940s and 1980s. Unlike the economic and structural reform introduced by the colonial government and the post-independence regimes (democratic regime, 1960-1970), the Fourth Development Plan (FDP) by the military regimes (1975-1980s), introduced a political ideology which maintained that ‘success’ in the reform process should move beyond institutional expansion or economic restructuring and explore the importance of regional and management framework within the sector. Following failures with these reforms and the dwindling service delivery in the distribution companies, the Babangida regime through the SAP policy attempted to revamp the dwindling service performance in the electricity sector. The chapter explores the issues that emerged through the analysis of secondary data and responses from interviews, especially on the issue of labour struggle for representation in the sector and how that may have shaped the government’s roadmap for reform in the year 2001. From the analysis provided, the chapter concludes that the reform agendas between the 1940s and 1980s were far from comprehensive given that while governments identified the institutional specialities within the sector, they failed to develop a comprehensive reform agenda to aid efficiency in the distribution sector.

4.1 The Nigerian Electricity Sector: Context and Development

4.1.1 The Colonial Agenda for Reform

Electricity distribution in Nigeria dates to 1896 with the commencement of the first electricity distribution in Lagos by the colonial regime, which had an installed capacity of 60KW. The colonial regime’s involvement in the electric distribution sector was paramount because the sector provided a public service that required colossal investment capital, permanent financing and management which was only possible through the government, because of the underdeveloped private sector at the time (Oni 2013). Once the network became functional, the government encountered several challenges with its expansion agenda of the sector because of the under-developed institutions and the geographical/land terrain differences across the thirty-six states of the country (from the flat open savannah in the north to the rainforest in the south). To curb these challenges, the colonial government between the 1920s and 1940s concentrated its development of the distribution services in states that
represented its political agenda for access to natural resources and political dominance. The table below depicts the roll-out of electricity supply across these states:

Table 4.1: The Development of Electricity Distribution Networks before 1960

<table>
<thead>
<tr>
<th>No</th>
<th>Major Cities</th>
<th>The Year of the first electricity supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lagos</td>
<td>1896</td>
</tr>
<tr>
<td>2</td>
<td>Port Harcourt</td>
<td>1928</td>
</tr>
<tr>
<td>3</td>
<td>Kaduna</td>
<td>1929</td>
</tr>
<tr>
<td>4</td>
<td>Enugu</td>
<td>1933</td>
</tr>
<tr>
<td>5</td>
<td>Maiduguri</td>
<td>1934</td>
</tr>
<tr>
<td>6</td>
<td>Yola</td>
<td>1937</td>
</tr>
<tr>
<td>7</td>
<td>Zaria</td>
<td>1938</td>
</tr>
<tr>
<td>8</td>
<td>Warri</td>
<td>1939</td>
</tr>
<tr>
<td>9</td>
<td>Calabar</td>
<td>1939</td>
</tr>
</tbody>
</table>

Source: Covenant University 38th Public Lecture (Awosope 2014)

The above representation of the electricity distribution networks in these states within the country was a significantly biased developmental framework. Mostly because the government’s focus on sustaining its political, human and natural resources agenda further supported the debate that the development of the sector, was only a part-way for the British Empire’s economic and political amalgamation agenda⁹ of the colony. The implication of this developmental framework in the sector, was such that the distribution services only existed in Port Harcourt, Calabar and Warri, to serve the Niger Delta region (the region with crude oil resources), while networks in the Eastern regional office (Enugu) and the Northern protectorates (Maiduguri, Kaduna and Zaria) served the regime’s political interests. The political dominance in the sector also involved a centralisation of the management framework, which led to the establishment of a central agency known as the Nigerian Electricity Supply Company (NESCO)¹⁰ in 1929 to manage the electricity generation and distribution. The outcome of which was uneven development in the expansion of the

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⁹ The amalgamation agenda in 1914, coined by the British imperialist, Lord Lugard effected the union of the Northern and Southern protectorates under the name Nigeria. A political integration assumed by progressive historians as an effective strategy for good administration and internal trade irrespective of the diversity (cultural, religion and ideology) within the nation (Adeyemi 2018).

¹⁰ The electricity utility company engaged in the generation, distribution and transmission of electricity sale, generally in a market regulated by the colonial state (National Electric Power Policy 2001).
electricity sector believed to have contributed to the underperformance of the sector (Abubakar 2003; Akintola 2013, Akinjide 2001).

The implementation of such selective infrastructural expansion of the electricity sector by the colonial regime for its political and economic agenda, not only relegated the pre-independence constitutional proclamation for national economic development, but it also encouraged low employee commitment in the sector (Awosope 2014; Oni 2013). The policy resolution that emerged following this challenge was the 1946 Sir Arthur Richards constitutional review\textsuperscript{11} agenda, which proposed the need for an integrated diversity (the idea of regionalism) within the workplace. This policy reform was initiated to encourage more participation of indigenous workers in a bid to promote workplace commitment in the sector. The implementation of this integrated diversity agenda in the sector led to the formulation of the Public Works Department (PWD) and other Native Authorities (NA), two independent agencies that coordinated the operation and management of the sector. This two-tier management approach ensured that the government through the PWD engaged with employees representatives through a centralised management framework (PWD), while the NA allowed for a more decentralised workplace representation between the employer and employee representatives across the Northern, Eastern and Southern regions. Although this decentralisation approach was introduced to encourage employee voice in the sector, it furthered the state’s dominance within the networks. The management framework that emerged according to Oladiran (2014) was best defined by the Achebe (1958) ‘things fall apart’ analogy which noted that;

\begin{quote}
Now he has won our brothers; our clan can no longer act like one. He has put a knife on the things that held us together, and we have fallen apart.
\end{quote}

(\textit{Things Far Apart-Achebe, 1958, p.5})

For Oladiran (2014), the above analogy was the best description for the workplace situation which Sir Arthur Richards promoted through the constitutional review. Oladiran (ibid) further noted that the review’s attempt, to encourage institutional development and employee involvement in the sector mainly promoted the colonial agenda for political dominance in the sector. Such that even when it attempted to achieve a balanced regional representation, in reality, it alienated most indigenous representatives by replacing them with preferred managers and local leaders loyal to the British administration or its agenda. Other criticisms of the Richard constitutional review

\textsuperscript{11} The introduction of Sir Richards’s constitutional review in 1946 by the colonial government in the electricity sector ensured the participation of the Nigerian worker in the sector. The focus at this point was the gradual replacement of foreign workers with Nigerians and locally skilled men across the regional networks.
(Oladiran 2014; Oni 2013), maintained that it only succeeded in identifying the geographical, political, socio-political and economic diversity between employees in the sector, but with no defined strategy on how it managed those diversities. Which for Oni (2003), was more about promoting a democratic agenda that recognised the importance of only an employee representation that aligned with its political objective, as against actual representation or development in the sector.

The political response that emerged following oppositions against Richard’s constitutional review was the 1951 Sir John Macpherson Constitutional review which proposed a comprehensive policy that integrated tribalism (regions), nationalism and institutional development. To achieve this, the government initiated the expansion of the distribution networks from eight to twelve states, encouraged the involvement of more indigenous employee representatives and also introduced a centralised framework which integrated the PWD and Native Authorities into the Electricity Corporation of Nigeria (ECN) in 1951. (Jacob and Abubakar 2015; Okoro and Chikuni 2007; Oni 2013). The process was followed by an expansion plan, which began with the appointment of the Netherlands Engineering Consultants and the Balfour Beatty Company Ltd in 1953 and 1958. These companies were mandated to explore the possibility of further developments in the electric sector, but with a critical focus on its political dominance, regional representation and infrastructural expansion agenda.

The colonial regime's reforms which focused on political dominance, economic expansion and regional representation failed to recognise the complex relations (economic, socio-cultural and the political motivation) within the sector and how they varied from that of the British state. Even with Richard’s constitutional review on diversity integration and the Sir John Macpherson Constitutional review for a comprehensive strategy, the underlining political dominance which constrained employee representation remained an issue. These issues according to Ajayi (1992) and Osaghae (2006), contributed to the underperformance in the electricity sector and the insecurity between involved parties (government, labour), as they (parties) struggled to maintain a balanced relationship within the sector.

4.1.2 The Indigenous State Debate: The Structural Reform Process

Following the Nigerian independence in 1960, the Abubakar Tafawa Balewa (1960-1966) administration (democratic regime), in a bid to improve efficiency in the electricity sector, adopted the 1951 ECN blueprint for power sector reform. The ECN proposed a reform process that achieved political dominance, economic expansion and regional representation
through a centralised framework in the sector. The framework according to the then Prime Minister, Abubakar Tafawa Balewa (1960-1966), was to enable the government to achieve its proposed infrastructural advancement plan in the sector and at the same time dominate the management and operational levels within the sector. The implementation began with the creation of the Niger Dams Authority (NDA) in 1962 and Kanji hydroelectric power station in 1968 and 1970, which aided the expansion of electricity distribution through Ijora - Ibadan and increased the supply services across the states (Manafa 1995; Eze and Essiet 2006). While the ECN continued to expand the supply services to already connected states, its success was somewhat limited, because it failed to improve on the low connection rates, poor distribution, inefficient usage of capacity, ineffective regulation and inadequate facilities in the sector (Awosope 2014).

The Yakubu Gowon’s administration (1966-1975) response to these challenges came through its ‘power sector review’, which explored the possible link between the political, economic, regional complexity, ineffective coordination of human resources, and the performance of the vertically integrated monopoly (Awosope 2014; Fayemi 2013). In the attempt to resolve what was considered a policy gap in the Abubakar Tafawa Balewa reform agenda and improve the dwindling supply levels, the Gowon administration appointed a Canadian Consultancy company Saval Limited. The consultancy company mandate to review and explore ways in which the government could improve performance was somewhat restrictive. This was because, rather than adopt a comprehensive review of the political economy interference in the sector; the review focused more on direct institutional challenges. They include low connection rates, poor distribution, inefficient usage of capacity, mismanagement of resources and employment challenges (replacement of skill with the Federal Character system or quota system12) (Oni 2013). On the issue of employment challenges, the review process considered and introduced the quota system and the federal character system, which promoted regional representation as a critical factor during the recruitment, promotion and appointment processes in the sector. The implementation of the federal character system in the sector ensured that skills, merit, or competence did not drive an employee's advancement in the electricity sector. Instead, management had to consider the regional ratio within the networks to ensure a balanced regional representation (Bello 2012; Gberevbie and Ibietan

12 The quota system and Federal character or quota system introduced in the 1950s and 1970s respectively is a principle officially recognised in the constitutions aimed at maintaining ethnic representation in the recruitment, promotion and appointment in the public sector. Therefore, its advancement in the public sector which ought to be driven by skill and competence, considers ethnicity especially for regions recognised as educational underprivileged.
Following the review process, the government decided to adopt the Saval Limited proposal for a centralised network, which did not exclude the federal character debate. Instead, its operational decision led to the promulgation of the National Power Authority (NPA) Decree No. 24 of 1972, which allowed for the merger of the ECN and NDA into an integrated monopoly known as the Nigerian Power Authority (NPA). As an integrated utility, NPA\textsuperscript{13}, extended the supply chain to include new networks from the Ijora Thermal Station, Delta Thermal Station, Afam Thermal Station and Kainji Hydropower station with a total installed capacity of 532.6MW.

The indigenous debate by the Gowon administration was initiated to advance the political objective to reform beyond the simple notion that infrastructural expansion equates to performance improvement in the sector. The implementation of this reform raised questions on its objective because, despite its focus on improved service delivery, it still aligned with the policy drive for political dominance, economic expansion and regional representation. The government, during the review process, also, failed to consider a comprehensive policy that recognised the political-economic dynamics in the sector. Hence, the continued challenges in the sector, such as the high operating cost, corruption and mismanagement of resources, which had far-reaching implications in the sector (Oni 2013).

4.1.3 The Institutional Reform Process

Following the continued dwindling performance in the electricity sector, the government in the late 1970s introduced an institutional reform process which re-evaluated the sustainability of the existing indirect rule\textsuperscript{14} system within the NPA ‘s management and operational framework (Bangura and Beckman 1993; Fashoyin 1990; Nwagbara 1999). As a management policy, the indirect rule was deemed successful, especially within the electric networks in the northern region because of the presence of a well-developed pre-colonial, Islamic and hierarchical administrative structure. For a region, classified as an ‘educational disadvantaged’ geopolitical region by the government, Nwagbara (2011) argued that the centralised framework of the indirect rule system seemed successful. It was deemed successful because of its regional characteristics and the use of the Federal Character policy.

\textsuperscript{13}The Nigerian Power Authority with its monopolistic status has the right to 94\% of the generating capacity and 100\% of transmission, distribution and marketing responsibilities in the industry (Manafa 1995; Eze 2006).

\textsuperscript{14}The indirect rule was introduced by Lord Fredrick Lugard between 1900 and 1906, was aimed at governing people with the use of traditional institutions and regional political ideology which promoted the idea of total dependence on the state at the decision level.
which favoured employees from this region on issues such as qualification, recruitment and promotion. The same favourable status did not apply to employees from the Western and Eastern regions of the country who by law and irrespective of their qualifications were considered as ‘educationally advanced’ and therefore faced more competition in terms of promotion and career advancement.

The polarisation of the regions and the inefficiency of the indirect rule system became more evident following industrial action in the 1970s, which saw workers in the Eastern and Western regions of the country embark on one of the most famous strike actions in the sector. During the strike action, these employees challenged what they considered were unfavourable management practices, the disregard of employee engagement and the disproportionate pay structure between indigenous employees and expatriates (Fashoyin 1990; Manafa 1995; Oni 2013).

The outcome was the institutional reform policy proposal by the government which explored and attempted to integrate the regional, political, economic and skill differences, for effective management of ‘work’ at the network level (Fashoyin 1990; Manafa 1995; Oni 2013). This process which began with the Richards’ Committee review in 1976, explored the divide between the existing management framework (indirect rule system) within the networks and employees socio-cultural differences within the networks (Roger 2014). The underlining debate at this point was that efficiency improvements within the electricity structure required more than political dominance, structural and infrastructural expansions as indicated in previous reforms. For this Richards committee which had no union representation, its idea of restructuring in the electricity sector involved a proposal for a comprehensive approach, which explored the internal divisions between employees across the networks and the indirect’ rule management framework. Following meetings and study group sessions with local and regional managers, the committee proposed the replacement of the autocratic management strategy associated with the indirect rule system with a more participatory framework that recognises the regional and employee dynamics within the sector. Its proposals were based on the idea that employee’s commitment and productivity levels would improve if they had similar terms of employment and managers who recognised their cultural and religious morals (Bloom and Van Reenen 2007).

15 This approach bore similarities to the indigenization decree of 1972, which encouraged the participation of Nigerians as against foreigners in acceleration of economic development despite the increasing capital scarcity, structural deficits and management challenges (Okeke et al 2016).
Although the implementation of this management framework was considered a success by the government, the criticisms that arose, however, questioned its primary focus on such regional inclusivity rather than efficiency. Mostly because while it recognised the regional dynamics that existed within the networks, its resolution was rather narrow. The criticism was a direct rejection of its assumption that efficiency in the network operations (national, regional, zonal, chapter and business units) would stem from regional recognition in the management and employment-related decisions (Bloom and Van Reenen 2007). Thereby, its idea of a possible link between efficiency, regional and ethnic balance, with no recourse to skill needs in the sector, further widened the skill gap required for organisational growth and performance.

These debates led to the inauguration of the Udoji’s commission and the Dotun Phillips Commission in 1980, which made recommendations for a centralised management framework that empowered the Minister to regulate the sector. Unlike previous recommendations for a more decentralised approach by the Richard committee, these commissions proposed the need for a more interventionist approach that would enable the government to regulate the cultural, regional and political diversity within the networks. The implementation of its recommended centralised management framework led to the establishment of a minister, state coordinators and government-appointed management positions within the sector (Omitola 2012).

These reforms, starting from the Richard committee down to the Dotun Philips commission in 1980, made significant changes to the management and operational framework within the sector. However, just like previous reforms, the government’s continued focus on political dominance as against a comprehensive framework remained a challenge. Its attempt to restructure the sector relegated the underlining challenges within the principal and agent relationship. Critical because while these reforms focus on regional representation and political dominance may have been necessary, their attempt to improve the performance levels in the sector was far from success because it failed to reduce the distribution-gap in the country.
4.2 The Structural Adjustment Policy

The earlier reforms in the electricity sector, which emphasised the need for political dominance, economic expansion and regional representation, may have been regarded as strategic given that the private sector in the country was still at its infancy. Even with the later attempts by the military regimes to introduce institutional reforms, failed to improve efficiency in the sector. These processes encouraged political dominance in the sector, which allowed for the delegation of operational and management functions in the sector to the government ministry, agencies and departments as stipulated in the Dotun Philips commission in 1980. The process was encouraged on the premise that state involvement in the sector was favourable and necessary to propel the needed economic development in the country (Chika 2002; Obaji 1999; Salako 1999).

This political control over the operational and management practices in the sector continued despite evident failing service performance in the distribution sector. Even with investments in the sector, which by the late 1980s was estimated at N800 billion, the state’s reforms had no significant impact on sustainable development of the sector. The inefficiency in the sector led to crippling financial cost and indirect costs associated with insufficient capacity, poor maintenance culture, inadequate training, ageing experienced workforce, distribution loss and lack of statistics and data. These challenges led to poor-financial and economic return, deteriorating operating performance, at a staggering scale and all to the detriment of the economy (Zakari and Shehu 2014; Obaji 1999; Salako 1999).

These challenges in the public enterprises such as the electricity sector encouraged the then Military Head of state of Nigeria, General Ibrahim Badamasi Babangida in 1986 to initiate another political reform which attempted to resolve the inefficient management, high overhead cost and negative returns. The policy began on the premise that the government could no longer support the monumental waste and inefficiency in the public enterprise sector. The outcome was the introduction of the Structural Adjustment Programme in 1988, to restore efficiency and reduce the crippling costs and financial burden to the country. The SAP was supported by the Federal Government’s promulgation of the Commercialisation and Privatisation Decree (CPD) (now Act) No.25 in July 1988, in support of private-sector takeover of vital public enterprises such as the electricity sector. The decree as part of the SAP was determined to pursue deregulation and privatisation, removal of subsidies, retrenchment and the reduction of crippling operational cost in the sector. The government also inaugurated the Technical Committee on Privatisation and Commercialisation (TCPC)
which later became the Public Enterprise Agency (PEA), charged it with the management of the SAP process.

The inauguration of the TCPC was the initial step towards the privatisation of the electricity sector, which did not materialise until the return of the country to a democratic regime in 1999. Until then, the military administration’s declaration to encourage private sector involvement in the electricity sector was met with indirect opposition by the ZEA. Indirect because of the hostile historical relations between the union and the military administrations that held power between the 1970s and 1990s. Such that during the 1970s reform and the proposition for privatise sector involvement, the military regimes ignored the involvement of the union in the reform process.

4.3 Labour and the Struggle for Representation

Historically, employment relations in the sector was so restricted by the government's autocratic approach to the process that it remained at the forefront of the debate on representation and labour struggles. The sector-based union (ZEA-Zonga Electricity Association) were active in their opposition and some cases, cooperation with the colonial rule and post-independence politicians who could not afford to ignore the union. The collective bargaining framework provided the government with an opportunity to communicate its political interests for infrastructural expansions and regional representation, as against the representation of employee’s interest. The union favoured this partial-engagement framework because it guaranteed employees a place at the negotiation stage and provided an opportunity for job security due to the proposed network expansions (Ihonvber 1997). At this stage, industrial relation was more about job protection, the opportunity for recruitment, membership growth and network expansions. A senior manager in Exon distribution during the interview in 2015, described union representation as thus:

From what I can remember, as a young man who joined the sector in the 1970s, the union always had a place during the democratic era. During that time, our records showed that leadership could discuss workers concerns and the political decision for network expansions and economic development. It was inevitable that as an organisation, we had to explore the importance of the Nigerian economy and the opportunity it provided to navigate these organisational changes in the sector. The place of the union almost disappeared with the military. They had their agenda, and you know how
military rule operates. We tried the much we could to fight for our democracy in the sector and workers’ rights, and what we achieved was a committed union for members despite challenges faced.

(Elder Mbamalu, Exon distribution).

The union’s struggle for representation was highly suffocated during the military rule because of the regimes severely mediated autonomy. The union attempted severally to engage with the government during the 1970s and 1980s reform process, through its formal consultation framework but achieved no success in terms of a defined collective bargaining framework during the process. The government-union relation, which was almost non-existent at the time, was so poor that workers regarded the ZEA leadership as incapable of adequately articulating and representing workers interests in the sector (Adekeye 1993).

Following the introduction of the privatisation Decree in 1988, the initial union response progressed from mere passengers to a more militancy position through strike actions. The reason for this was not necessarily because of the privatisation proposition but the promulgation of the Trade union Act of 1990 (amended), which included decrees that constrained union opposition. The amendment in the Act introduced the ‘no-work-no-pay’ clause, which attempted to deter employees from engaging in strike actions. The union’s response through strike actions and walks outs following the amendment led to a temporary ban of some union leaders by the Babangida’s military administration from politics or union activities. The administration also went further to arrest and imprison some union leaders who opposed the policy agenda of the government.

The regime’s reaction to oppositions by the union led to very cautious and in some instances, conservative positions by the union on issues that affected workers to avoid a total ban on union activities in the sector. ‘This position by the union raised suspicion, especially among workers who were unsure what the union’s position was, once the proposed changes by the SAP agenda began’ (Comrade Sampson-Etuk, ZEA regional representative). In another instance, a regional representative on record noted that ‘opposition by the union during the military era was nothing to write home about. Following the Babangida era and arrest of some leaders, the union president concluded that he would rather resign his position than confront the military government with strike actions in the sector. Given the political response from the government, it was unjustifiable for anyone to lead workers in a political
strike which would not change the military government’s position (Comrade Okeke, ZEA Regional Coordinator). This union position which Comrade Okeke expressed was far from the initial interpretation of the union as an active organisation. Dr Ngaba, a retired workers union representative during an interview in May 2015, summarised the union’s position during the military regime,

Some workers perceived ZEA leadership during the Babangida era and others as incapable of adequately expressing and representing workers interest. They, however, forgot that most of these leaders were arrested at some point, and some spent months in detention for what they believed to be workers’ rights. Some of these leaders could not go home because of the fear of military arrests. After all, said and done, the union leaders concluded that every worker must submit to the political will and power of the government to survive the fight. This was because any opposition to the military had its consequences. The wisdom was that he who fights and run lives to fight another day.

(Dr Ogaba, Interview, May 2015).

The above union’s position to soft-pedal on strike actions as their tool of defence, according to Esiere (1993), raised many questions on the future of government-union relations in the sector and the concept of privatisation.
4.4 Conclusion

The level of government’s intervention in the operational and management decisions within the electricity sector has influenced its development since 1929. Starting from the first distribution network, to the pre-colonial regional representation agenda such as Sir Arthur Richards 1946 constitutional review, the colonial regime maintained its objective for political dominance, economic development and regional representation throughout its reform processes. The 1920s strategy for political dominance restricted the government’s developmental agenda in the sector to states with regional or economic relevance to the colonial administration. Even though the colonial government characterised its expansion of the electricity sector as a drive for industrialisation in the country, its implementation only furthered the political advancement of the British Empire (Oni 2013). Its attempt to advance diversity and regional representation following the institution of the Richard’s constitutional and the Sir John Macpherson Constitutional review within the networks was far from comprehensive. Because while these reviews were deemed strategic by the regime, their underlining political dominance constrained employee representation within the sector. The diversity agenda, for instance, ensured that while these processes promoted employee representation in the sector, it only appointed managers and employee representatives loyal to the colonial political agenda.

The return of the country to a democratic regime in 1960, led to the implementation of a rather narrow policy framework which possessed a challenge to the sector’s advancement because it restricted efficiency in the sector to infrastructural development. The Abubakar Tafawa Balewa (1960-1966) administration approach to indigenous reform was limited to its objective for political dominance, economic expansion and regional representation through a centralised framework in the sector. The implementation of which led to a distribution gap in the sector which the power sector review by the Gowon administration (first military regime) attempted to resolve. The Gowon’s approach attempted to move beyond the simple notion that infrastructural expansion and political domain equated performance and explored the possible link between economic advancement through electricity reform. Its success was only the centralisation of the management framework in the sector, which failed to consider other underlining factors within the sector’s political economy.

The institutional reform that emerged following the failure of the several power sector reviews and phases of management restructuring in the sector aligned squarely with the underlining objective for political dominance in the sector. Starting from the Richard
committee and down to the Dotun Phillips commission, the government’s agenda for the regional representation of employees and centralised management by the Udoji’s commission all failed to recognise that reform was beyond solving the ‘immediate’ operational challenge in the sector. In what the government considered as a strategic approach, these institutional reforms attempted to integrate the socio-cultural differences within the networks, regions, economic and skill differences, for effective management of ‘work’ at the network level. What these reforms still failed to recognise was the underlining institutional interferences within the sector by political leaders, given that the sector and its employee’s do not operate in an abstract reality. The introduction of the Privatisation and Commercialisation Policy Decree in 1988 through the SAP by the Babangida’s government also failed to recognise the complex relations that exist within the sector. For the Babangida administration, the SAP was the ultimate solution to the dwindling distribution in the sector.

The main issue which these reforms, except the colonial administrating through its 1946 Sir Arthur Richards constitutional review for integrated diversity, was that they failed to recognise the importance of industrial relations during the reform. The democratic and military administrations initiated reforms that developed a direct link between infrastructural development, the management or regional representation and its plan for improved performance in the sector. Even with the Babangida regime and its privatisation policy, which led to labour conflicts and arrests, the government continued along with its authoritarian approach to reform and yet achieved limited success. The next chapter would explore the privatisation agenda introduced in the sector following the return of the country to a democratic rule. The main question which the chapter hopes to answer is the extent to which the historical political interest for dominance may have influenced the privatisation approach by the democratic regime. Also, how did the government engage with the union during the process? Finally, what legislative strategy was initiated to protect employee voice during the process?
Chapter 5

Lights off in Nigeria: The Power Sector Reform and Stakeholders Involvement

5.0 Introduction

The various attempt by different Nigerian government regimes (colonial, democratic and military), at industrial advancement and rapid economic development in the electricity distribution sector failed to resolve the energy infrastructure deficit in the country. The government, following the return to a democratic rule in 1999, enacted the Public Enterprise Act (1999), and this led to the formation of the Public Enterprise Agency (PEA) and the electric reform statement that revived the privatisation agenda previously introduced through the SAP and the Commercialisation and Privatisation Decree in 1988. The privatisation agenda, which was aimed at challenges in the sector moved beyond the initial policy propositions in the Commercialisation and Privatisation Decree of 1988 for private sector ownership. Instead of the commercialisation approach, which was initially introduced through this program in the sector, the privatisation blueprint by President Olusegun Obasanjo’s administration in 1999 proposed outright private sector participation. Although the government and the sector-based union (Zonga Electricity Association-ZEA), differed in terms of the real issues and policy solution in the sector, the political interests to privatise dominated the debate.

The government’s position on the privatisation policy in 1999, was represented through its new political and macroeconomic debate which aligned with the World Bank propositions for private sector takeover of public enterprises in developing countries. The implementation process, which began with political debate, identified issues within the sector and then proposed the appropriate privatisation approach. The policy proposal that emerged following this process led to the inauguration of the Electric Power Committee (EPC), which was then mandated to propose a strategic privatisation framework for the state after a review of the operational, management and human resources challenges in the sector. Following its review process, the EPC which had representatives across all the stakeholders including the ZEA, made recommendations for the National Electric Power Policy (NEPP) in 2001, which led to the enactment of the Electricity Power Sector Reform Act (EPSRA) in 2005.

The ZEA in their initial public statement on the government’s political and macroeconomic debate for privatisation outrightly rejected the entire recommendation by the EPC. In what
they considered a mismatched agenda, the union raised concerns on the suitability of the proposed privatisation policy in the sector, the government’s transparency in the process, the political will to engage with the union and possible alternatives to the reform. Although the union noted its ‘support for the macroeconomic agenda and possible restructuring of the electricity sector, they, however, maintained that the privatisation of the sector was not the best solution. The union’s stance on the proposed reform was, however, similar to its response on previous reforms by the government, which they described as attempts by the government to avoid its national responsibility in the sector, with no recuse to workers welfare’ (ZEA monthly newsletter, 2000). This chapter explores the macro level interpretation of the proposed privatisation of the electricity sector, through a three-phase process that involved the political, macroeconomic and union debate on the proposed privatisation process. The focus is to develop a conceptual framework that provides an in-depth insight into how the policy debate at this macro level and legislative framework influenced the government-labour negotiations that occurred within the sector.

The chapter, through a background analysis, explores the first government’s announcement to privatise the electricity sector and how the process moved beyond the traditional claims for political dominance and regional representation in previous reforms. The focus, to examine the broader policy interpretation of process at the macro level. This is followed by an organisational review by the EPC, where the committee faced challenges on data validity and its analysis of specific factors that encouraged the roadmap debate. The political debate at this point progressed with a recommendation by the EPC for the NEPP which instigated the debate that questioned the role of the state. The restructuring process was made possible through legislative changes that predetermined the privatisation model and the next stages of the debate. The government’s macroeconomic debate that emerged in 2007 led to the introduction of the Vision 20:2020 policy agenda, which further supported the debate to privatise the sector. Finally, the chapter analyses the formal consultations between the government and the union and the latter’s proposal for alternatives to privatisation, which failed to reserve the privatisation debate. The implementation of the government’s policy position on privatisation raised questions on factors that influenced the decision to privatise and the transfer of the military regime’s authoritarian approach which relegated the union as mere passengers in the process. The question on the regime was essential given that President Olusegun Obasanjo, who became a civilian president in 1999, was once a military head of state in the 1970s. These questions are addressed through the analysis of data from secondary sources and original empirical material from fieldwork interviews.
5.1 The Transformation of the Electric Sector: The Policy Phase

5.1.1 Initial Government Announcement

The President, Olusegun Obasanjo (1999-2007), the second democratically elected president since 1983, introduced a new privatisation agenda during the inauguration of the National Council on Privatisation (NCP) on August 03, 1999. In his speech which was reported in the Business Report, the president explained that;

The government is about to replace public monopoly with a private monopoly in our determination to pursue the best interest of this country. The intent is to remove the financial burden this enterprise constitute to public resources and channel then to essential government endeavours. The two decades of military rule left the power sector in a condition of total collapse, hence the need for the complete rehabilitation of the sector and its collapsing infrastructure.

(President Olusegun Obasanjo, 1999)

The above policy announcement by the government was in line with the administration’s proposal for a transformational strategy in the electricity sector, which differed from the Ibrahim Babangida reform in 1988. Unlike the 1988 commercialisation plan, which created autonomous departments that allowed the sector to remain a monopoly within a centralised bureaucratic decision-making framework, the new strategy proposed a more independent framework. On this note, the government initiated its drive for ‘the most ambitious reform in Sub-Saharan Africa that would transform and reintroduce efficiency in the electricity sector, improve productivity and employment conditions. During this policy propositions, the government was also aware that it would come with its challenges’ (Deputy director, PEA).

The introduction of the government’s transformational strategy also prompted different political, economic and labour debates which were for and against the process. One of such political debate came from Chief Barnabas Gemade- the chairman of the Democratic Party, who in an interview on January 10, 2000, on power sector condition in the country noted that;
It is foolish to expect to have different results doing the same thing under the same conditions in the country. The government believes that the solution to the sector is competitive management and organisational framework through private sector participation, which we as a political party also believe.

(Vanguard Newspaper 2000)

The Chairman’s political debate was refuted by the ZEA national leadership, who according to some respondents, described the government’s announcement for the privatisation of the sector as somewhat disappointing. The policy announcement sent shock waves among workers and union leadership with so many unanswered questions. The announcement, according to one respondent ‘led to so many questions, especially for those of us that witnessed the military era privatisation promises and chaos. Haven witnessed that process before; I never hoped for that day to come again’ (Comrade Odoh, ZEA Chapter Representative). Secondly, the shock wave and chaos in the sector were due to the uncertainty in the process and the absence of formal communication from the Ministry of Power. Another concern which most respondents reiterated was the fact that the government’s official statement on privatisation, was coming from a former military general, who once led a government were unionism was almost absent.

Following concerns from the ZEA and other stakeholders on the policy announcement and in order to address the communication gap that emerged, the Ministry of Power sent out formal communication throughout the sector. ‘In the communique, the Ministry reiterated the increasing disparities between the desired performance level and actual production levels in the sector due to crippling bureaucratic measures, corruption, low collection rates, poor performances, which supported its proposal to reform’ (Regional representative, ZEA). ‘The content of the communique provided by the government was vague because while they outlined the challenges, the non-specificity of its proposed privatisation guidelines and the possible institutional changes possed a problem’(Dr Balogu, Policy Team, the PEA).

Following this initial communication, ‘the ZEA national leadership reached out to the Ministry of Power and other representatives at the Federal and State levels for a detailed outline on the proposed economic reform’ (Comrade Emenike, ZEA national negotiator). This was followed by a national union exco meeting at the union’s headquarters which had representatives from the national, regional, chapter offices present. The meeting records
showed that ‘during the meeting, representatives deliberated on its negotiation strategy, the need to consult with the new administration on its proposal and the union's stance on the process. The responses from the representatives indicated that the union leadership were unified along the lines of political, ethnic, economic and ideological cohesion and therefore, determined to challenge the process’ (Kasaba network, ZEA meeting records 2000). ‘The success of the meeting was such that despite obvious regional and political bias in the past, the representatives were all unified on the issue of job security, which was vital to most of us far from retirement especially in a country with a high unemployment rate. We were determined to fight for the right of the good men and women in the sector’ (Comrade Soloe, ZEA Northern representative).

5.1.2 Organisational Review: The Data Challenges

Following the initial union response to the Ministry of Power, the government in inaugurating the 23-member Electric Power Committee (EPC)\textsuperscript{16} in 2000 with the Vice President Atiku Abubakar, appointed as the chairman, included the union as a member of the committee. The EPC was introduced at this point of the debate to develop guidelines that would support the government’s transformational strategy for the liberalisation, competition and private sector growth in the electricity distribution sector. To effectively undertake this project, the EPC had representatives from a wide range of stakeholders in the sector such as the Ministry of Power; ERC (Electricity Regulatory Commission); Ministry of Labour, EMBET, NLMCO (Nigeria, Liability, Management Asset Company); Ministry of Finance; USAID; the ZEA and the World Bank. The inauguration process was followed by the Electric Power Policy statement, which outlined the committee’s determination to ensure that the Electric Power Industry met the energy needs in the country after the process.

Since the agency was charged with terminating the monopoly status of the sector, the EPC initiated a review of the sector which involved the collection of data on the operational, management and human resource performances and challenges in the sector. The process

\textsuperscript{16} From the discussions with senior officials in the PEA, it was obvious that the initiation of the EPIC was the first significant step towards the reform. The first approach by the committee focused only on how to achieve a privatisation process that would stabilise the failing power supply in the country, improve cost recovery and increase the possibility of capital investments (Daily Independent 2011; Idris et al 2013; Oke 2007; Ubi 2012). It was all about improving technological, economic and regulatory issues with limited discussions on Employment Relations. The structure however changed in 2010, following several agitations by labour which hindered the evaluation of the assets within the distribution companies by prospective investors. This committee remained significant throughout the entire process.
began with representatives from the EPC organising public workshops across the thirty-six states. The workshop across the states provided consumers, market suppliers and prospective buyers, the opportunity to outline their concerns and support for the proposed privatisation of the sector. Although the EPC representatives considered the review as useful, it was not without its challenges, especially on the issue of data availability and accuracy. The PEA Director of Public Affairs described the data inaccuracy as a significant challenge that trailed the entire process due to the absence of a comprehensive data set on the sector from the various government agencies. According to him;

The committee lacked an understanding of the actual asset value, human resource issues and operational challenges within the sector. The public service managers and those in the ministry of power at the time had disjointed statistics, which further complicated the debate on the Actual Technical and Commercial Loss levels in the sector. So, even though the committee was charged with advisory responsibilities for the reform process, it had insufficient data on productivity levels, networks, losses and employment levels. The solution then was the use of both primary and secondary data, hence the public workshops and meetings with relevant stakeholders.

(Dr Abdulhassan Gaka, Director, PEA Public Affairs).

While some representatives in the EPC also acknowledged the issue of data validity and limited documentary information on the sector, some union representatives; however, opposed the EPC data collation process. The EPC review process was described as the government’s attempt to promote its political debate on privatisation. In his response to the review process as a strategic political attempt to force through privatisation, a local ZEA representative in Qwest distribution maintained that ‘the EPC review was weakened by issues that arose because of the authenticity of the available data, the veracity of the data collection process and the question of bias within the entire review process. The committee advised us that the review process was an attempt to determine whether to privatise or not. What we, however, experienced, was a political move to support privatisation’ (Mr Atigwa, Distribution Supervisor, Qwest).

On the issue of data discrepancy, Comrade Ngobawu provided a critical assessment of how the available data differed.
The data obtained directly from managers at the network level and those available to the public differed between networks. From the information received, it was clear that most of the data on distribution ratios, network performance, skill gaps and productivity progression from the managers, had a certain level of political undertone, which was not evident at first sight. However, once we got into its analysis, it was evident that the sector had no official data on specific issues such as average technical and commercial losses. These discrepancies were such that while the data on electric distribution in a region recorded a 70% performance in one report, the same region recorded a 40% performance in another.

(Comrade Ngobawu, ZEA Chapter representative).

The EPC representatives considered the above data mismatch which emerged during the initial review process as a demonstration of the poor state of the sector which only achieved a grid-connected generation of about 3000 megawatts as against South Africa with 40-45000 megawatts for 40-45million persons. ‘The challenge was so intense that while some of the data collated in certain locations revealed a 50% distribution loss levels, the managers could not reconcile their report with the grid connection in those locations which varied between 1,500MW to 2,500MW, way below the required performance levels’ (Mr Roland Oka, Division Manager, PEA). These gaps led the EPC to conduct a further review on the installed and distribution capabilities across the networks represented below;
Figure 5.1: The installed power capacity, supply and losses across the value chain in Nigeria

Source: Nigeria Power Baseline Report (PWC 2016)

The above diagram was the representation of the installed power capacity across the three main sections of the electricity sector, distribution; generation and transmission companies. The analysis by the EPC as recorded in their reports, revealed that the installed, supplied and loss levels in the distribution sector, had a 12% gap between the generated and transmitted power. The report directly contrasted the initial documented reports which suggested that the 1790 distribution transformers and 680 injection substations operated above capacity. In their analysis and response to the operational challenges in the distribution sector, the EPC referred to the external and internal factors that negatively influenced performance in the sector and the need for a comprehensive reform framework. ‘Some of the issues highlighted in the EPC reports included factors such as the militant group interruptions in the Niger Delta (supply locations), theft, illegal connections, funding, human resources, corruption and legislation negatively impact efficiency levels in the sector’ (Dr Babalola, Director PEA).

5.1.3 The Roadmap Initiative

As part of the restructuring process, the EPC subsequent review of the sector, identified factors such as increased capital flight, political instability, high-level corruption and mismanagement in the electric sector, as part of the ‘push’ and ‘pull’ drivers for the reform (Ayittey 2006; Joseph et al. 1996). This review process was characterised as multi-faceted aimed at tackling these issues within the sector (Ayittey 2006; Joseph et al. 1996). While on
the other hand, also driven by the World Bank development agenda for developing countries, which meant the transfer of public-owned electricity sector to private ownership, would facilitate economic development and reduction in the fiscal deficit. The process was characterised as the first step towards the replacement of the welfare economy approach to management in public enterprises, with the private sector in a bid to reduce institutional corruption and resource mismanagement and increase productivity.

Even with oppositions from the union, the roadmap initiative by the EPC was supported by government agencies and politicians who welcomed the policy attempt by the government to review the performance of the sector further. A PEA representative described this further review by the EPC as ‘necessary to avoid disaster or a total collapse of the entire sector due to a combination of outdated facilities, mismanagement, data issues and weak institutions’ (Dr Abdul-Rasmal, Policy division, PEA). ‘The process, given the issues with data validity became necessary because the performance level in the sector was so poor that if a graph were plotted to access performance between the 1960s and 2001, it would move from 100% to almost zero, with no hope for improvement’ (Dr Oga, Team member, the Privatisation Council). Such that ‘the inefficiency levels in the sector was interpreted as evidence of a failed system, despite policy projections which continued to suggest that Nigeria is the giant of Africa’ (Mrs Bababi, PEA policy division). In a diagram elicitation session, which involved some representatives in the PEA, they outlined challenges which, according to them, were part of the factors that triggered the EPC policy decision to privatise the electricity sector.
Figure 5.1: The Drivers for Reform in the Nigerian Electricity Distribution Sector

Source: The diagram elicitation session with representatives in the PEA (May 2015)

Figure 5.1. The above diagram was provided by (four) representatives (one manager (M), a director (D) and two personnel (P) in PEA) during a group discussion on the policy position on privatisation in the Electricity distribution sector. The session with these representatives took place on the 27/05/2015 in meeting room 202 at the PEA headquarters and lasted for two hours with a 20 minutes break. During the session, the representative discussed what they considered to be valid reasons for the privatisation process beyond it being a political motive with zero economic or social considerations for employees (as interpreted by the unions). Following series of discussions between these four respondents, they came up with above diagram as their representation of the factors that triggered the political objective to privatise the electricity distribution sector.

Interviewer: How would the PEA justify the policy push for private sector participation in the sector after decades of state involvement?

Dr Obasi (D): “if we are to project a graph, of what has happened or what was happening there, and you now use the information on the five key factors presented now to plot a graph, it will get to a point where there would have been a sudden collapse in the sector”.

Mrs Nkalagu (P): “Oh yes, the poor technical, financial and managerial capacities of government appointed managers were found to be the issue here. The set up of the sector was all wrong and for a government focused on economic growth, changes had to be made”.

Mr Nwachukwu(P): “A lot of money was put into that sector but there is nothing to show. So, the essence of the so called state-owned electric sector was defeated. The situation was so severe that every house hold needed a generator.

Mr Mohammed-Jasa (M): “The focus was to end this government attitude whereby if I work there ‘I must bring in my people’ which indicates nepotism. Due to this, the sector had too many people doing next to nothing. Such that the work for one person had 50 people doing that job”.

The above diagram is a representation of the institutional factors which, according to the above respondents in the PEA, propelled the privatisation of the electricity sector. Most of these challenges in terms of the productivity level and distributional effect in the sector was not represented in the 2001 National Electric Power Policy (NEPP), which the EPC introduced after the
power sector review phase. The NEPP document which respondents referenced, during the diagram elicitation session, provided information on the sectors’ productivity capacity which at the time stood at 23,753km of 33KV lines, 19,226km of 11KV lines, 679 of 33/11KV substations and 20,543 of 33/0.415KV or 11/0.415KV sub-stations. The frequency control, which stood at 50HZ; 33KV+/−10%, showed an underperformed sector despite the 1790 distribution transformers and 680 injection sub-stations. The above-installed capacity of the distribution unit remained below the average when compared to countries such as Libya (4,270kwh), India (616kwh), South Africa (4,803 kWh) and the United States (13,394kwh) (Awosope 2013). The respondents noted that the performance level in the sector was so weak, despite it having an installed capacity of at 5906MW (megawatts), it was only able to achieve a maximum load of 2,470MW due to the inability of the transmission and distribution networks to function effectively. The distribution lines were also not able to achieve an average of 4,500MW because they were obsolete and often overloaded, which meant that more than 50% of the generated electricity were unaccounted for (NEPP 2001; Oni 2013).

During the discussions with union representatives on the productivity challenges in the sector, they suggested a direct link between government policies and challenges in the sector. While the government just like previous reforms, relied on regional representation and political dominance, the underlining impact of these policies was not considered. For instance, most of the ZEA respondents noted that more reduction in productivity levels occurred following the creation of new local governments in the 1990s and the government’s decision to connect them to the National Grid. They noted that while the policy was a welcomed political agenda, they posed more strain on the struggling distribution network. ‘The further creation of the rural electrification programme introduced more developments in these locations and hence, more electricity needs. These policy changes raised a question on the effectiveness of an electricity distribution that was already overloaded’ (Engineer Olawale, Manager, Exon distribution). The policy decision to connect more locations according to the distribution supervisor in Qwest distribution was misplaced.

The government announced its plans to reduce population growth in the big cities by opening these rural localities. What they never considered was how to power these communities if the distribution levels remained the same. For this reason, we at the labour division proposed the need for network expansion and investments by the government because we knew the challenges that would arise through the process.
The initial proposition for privatisation by the government was outrightly rejected because although the performance in the sector was weak, we advised the government that privatisation would not thrive in a sector which such distribution challenges.

(Engineer Nze, Regional Representative-ZEA).

More government representatives challenged the union’s position on the productivity levels in the sector. While the union blamed the government policies and lack of investment, the EPC representatives attributed challenges in the sector to the union's approach on engagement. One respondent stated how ‘the union’s partial response to privatisation was far from encouraging because they could not provide clear policy on how they intended to revive a sector with a generation capacity of less than 6000MW and a lower distribution ration. We at the PEA provided facts to support our analysis, but all we got was an emotional reaction from the ZEA leadership’ (Engineer Okaka, Manager PEA). Part of this fact which the EPC representative provided was the distribution capacity of the sector across the country, represented below:
Figure 5.2: Map of the Electricity Distribution Sector

Source: The Roadmap for Power Sector Reform (2010)

Table 5.2: The Percentage of Electricity Distribution Coverage

<table>
<thead>
<tr>
<th>S/N</th>
<th>Distribution</th>
<th>% Age Load Allocation</th>
<th>State Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Abuja Distribution Company</td>
<td>11.5%</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Benin Distribution Company</td>
<td>9%</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Eko Distribution Company</td>
<td>11%</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Enugu Distribution Company</td>
<td>9%</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Ibadan Distribution Company</td>
<td>13%</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Ikeja Distribution Company</td>
<td>15%</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Jos Distribution Company</td>
<td>5.5%</td>
<td>4</td>
</tr>
<tr>
<td>8</td>
<td>Kaduna Distribution Company</td>
<td>8%</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>Kano Distribution Company</td>
<td>8%</td>
<td>3</td>
</tr>
<tr>
<td>10</td>
<td>Port Harcourt Distribution Company</td>
<td>11.5%</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Yola Distribution Company</td>
<td>11.5%</td>
<td>5</td>
</tr>
</tbody>
</table>

Sources: Roadmap for Power Sector Reform (2010)
The above representation of the distribution capacity in the sector raised questions on the union’s opposition to the government’s proposal to privatise the sector. For one, ‘the overloaded distribution lines because of the local government connection to the national grid, also increased the use of alternative power supply by households and businesses, who relied on generators as their main source of power supply’ (Dr Obasi, PEA Policy Team).

The sector’s underperformance, despite the union’s position, was evident to anyone, including the government to see. The decision to increase performance in the sector was hindered by a combination of factors such as supply disruptions, theft and corruption. The initial policy response, which in this case was increased subsidy and investment in the early 1990s had little success because the leakages continued.

(Mrs Nkalagu, Director PEA).

The distribution capacity in the country was a representation of failures in the organisational changes by different administrations before the return of the country to a democratic government in 1999. These changes had no significant impact on performance in the sector. The government’s attempt through yearly budget allocation for investments in the sector achieved an almost zero change to the performance indicator in the sector.

(Mr Mohammed-Jasa, Deputy Director PEA).

The deputy director’s position on the distribution sector was a summary of the general perception of most respondents in PEA during the interview sessions. While they maintained that previous governments’ attempts to reform the electricity sector between the 1940s and 1990s achieved limited success, these respondents also highlighted other underlining issues that supported the drive to privatise. Part of which was the direct link between the unemployment levels in the country and the distorted electricity distribution services. In one
instance, Engineer Bala, a Manager in the PEA, noted that ‘the poor electricity sector hindered not only the advancement and operation of public sector institutions but also that of the private sector. In the last ten years, the country recorded a significant percentage of investment flight to other African countries due to the high production cost in Nigeria’. In another instance, another respondent reported that ‘most of these companies which left the country indicated the high cost of production due to the use of alternative electricity supply as the main reason for transferring their business to other African countries. One of the managers that visited my office explained that their company left because of high production cost, which made competition with their international counterparts almost impossible’ (Mr Nwachukwu, Monitoring Division, and PEA). The report from the Federal Bureau of Statistics unemployment data also indicated steady growth in unemployment between 1999 and 2009 (Njoku and Ihugba 2011).

**Figure 5.3: Rate of Unemployment in Nigeria (1985-2009)**

![Graph showing rate of unemployment in Nigeria from 1985 to 2009](image)


Most respondents at the policy level (PEA, EPC) referenced the high unemployment level to support their debate that there was a direct link between the underperformance of the distribution sector due to mismanagement and investment challenges and the high unemployment in the country. From the documentary analysis and interview responses, it was evident that the operational challenge within the sector was because of the investment gap, misappropriation and ineffective management of available funds. During an interview session with representatives in the PEA, a deputy director on policy, referred to the gap
between the appropriated funds for investment in the sector between 1999 and 2003 and the historic investment trends in the sector. The details are represented below:

Table 5.3: Breakdown of Investment appropriated in the Power Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriated Funding (billions-naira)</th>
<th>Released Funds (billions-naira)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>11.206</td>
<td>6.698</td>
</tr>
<tr>
<td>2000</td>
<td>59.064</td>
<td>49.785</td>
</tr>
<tr>
<td>2001</td>
<td>103.397</td>
<td>70.927</td>
</tr>
<tr>
<td>2002</td>
<td>54.647</td>
<td>41.196</td>
</tr>
<tr>
<td>2003</td>
<td>55.583</td>
<td>5.207</td>
</tr>
<tr>
<td>2004</td>
<td>54.647</td>
<td>54.647</td>
</tr>
</tbody>
</table>

**Source:** Investment Funding in the Power sector (Butty, 2011)

Figure 5.4: Investment Trends in the Electricity sector (1974 and 2004)

**Source:** Presidential Retreat on Power (2005)

In the analysis of the above investment levels between the 1990s and 2000s, the deputy director argued that ‘the discrepancy between appropriated funds and the pattern of investment occurred because of the political interests on when to invest and where to invest’ (Dr Obasi, PEA Policy Team). A counter debate by another manager in PEA suggested that
the challenge on investment in the sector was that of political interests and corruption. He went on to indicate that ‘the electricity distribution sector would have advanced beyond its current position if not for political interests. The issue is, however, very complicated and depends on who is asked or who is asking’. The case of political interest, for instance, was described by another respondent as political/regional representation. According to him, ‘inefficiency in the sector was not necessarily a case of bad investments in the sector but one where most governments cared more about short-term objectives, with no long-term plan in view’ (Mr Eze, Policy division, PEA). ‘In most cases, some network managers were unable to account for these funds effectively, and nothing was done because the problem goes right back to the top’ (Deputy Director, PEA). These arguments brought the discussion back to the issue of corruption and mismanagement in the sector and the influence of political intervention in this process.

Another group of respondents during the interview, questioned the authenticity of the above data on investments between the 1970s and 2000s, because of the gap between the initial investments as stated above and what they believed to be the actual investment in the sector. One of the investment initiatives which some queried was the National Integrated Power Project (NIPP) 17 (ten new generation plants in different states) commissioned in 2004 and introduced to increase the operational capacity to 5,000MW (KPMG 2013; Oni 2013). The power project was commissioned to serve as a cushioning framework in the dwindling productivity within the sector.

For most of us who were critical of the NIPP, we questioned the functionality of the NIPP projects and the fact that gas generating plants were established in regions with no gas supply. The question was, were these projects commissioned for efficiency or regional credits? Instead of efficiency, which was the goal, this project, just like most political projects, had to satisfy specific political interests and regional representation targets.

(Mr Ogbu, PEA Regional Coordinator).

17 The National Integrated Power Projects is an integral part of the Federal government’s efforts to deal with power shortages in the country. This is a public funded initiative to increase generation capacity significantly.

KPMG (2013) A guide to the Nigerian Power Sector
Therefore, for Mr Ogbu, the dwindling performance in the electricity sector was not just about the absence of government investments in the sector but the prevalence of the political interests within the management framework which made coordination in these networks almost impossible. All made possible by the bureaucratic and hierarchical system of management (Girod and Percebois 1998; Lane 2000) that allowed for a centralised decision-making process overseen by the Minister of Power. The implementation of such bureaucratic system ensured that the minister and other politically appointed nominees, were, appointed in line with ‘the quota system\(^\text{18}\) and not necessarily for their skills or expertise in the sector. To this end, ‘their policy decisions as political representatives had to align with the political objectives and regional representation, which often bypassed organisational needs’ (Mr Abudulahi, Director, PEA).

Therefore, the issue then was not necessarily low investments or inadequate infrastructural facilities but the technical, financial and managerial capacities of the management. ‘In one instance, the government-appointed external contractors to restructure some power plants and they did an excellent job. Once these plants were handed over to local operators, the problem started again’ (Mr Olumide, Deputy Manager, PEA). So, ‘the challenge was more of a human resources problem in a sector which had too many people doing little or nothing in their networks’ (Engineer David, PEA). ‘For instance, how could we defend a sector which had over 50,000 employees (permanent and contract) and a distribution capacity below 3,000 megawatts? It does not make sense anywhere in the world. Hence the government’s resolve to include employment restructuring in its transformation plan’ (Engineer Babagala, Manager, PEA). The challenge with this government’s transformational plan, as outlined in the roadmap to reform was its silence on how the government intended to resolve labour issues if the EPC report on privatisation was approved.

### 5.1.4 Questioning the Role of the State

Following the review by the EPC and further deliberations with other government agencies, the committee made recommendations for a change in the ownership, control and regulation of the sector. The decision reached by the committee as outlined in its Electric Power Policy Statement (EPPS) to the government in 2001, provided clear regulatory and legislative frameworks, which prepared the sector for privatising sector investors and encouraged the

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\(^{18}\) The composition of workers in government institution should reflect federal character and diversity of the people, to avoid the predominance of persons from few states or a few ethnic groups
unbundling of the distribution sector into eleven companies, which prepared them for the private investors. This policy recommendation reached enabled the government to culminate the eventual passage of a federal statute that allowed for the reconfiguration of the distribution sector. The implementation of which led to a clear policy framework for the privatisation of the electricity sector as represented below:

Table 5.4: The Transformational Plan for the Electricity Power Committee

| Status of the Sector | -The sector had 1790 distribution transformers and 680 injection substations.  
|                      | -Installed capacity of existing power stations at 5906MW with maximum load recorded at 2,470MW  
|                      | -Need for upgrading. The total transmission and distribution losses at the range of 30-60%  
|                      | -Only 40% with access to electricity supply  
|                      | External losses (human and institutional interruptions). |
| Policy Objectives    | -Power Sector to attract Foreign Direct Investment  
|                      | -Transparent and Effective Regulatory Framework  
|                      | -Promote Competition through full liberalisation of the electricity market.  
|                      | -Enabling environment to attract investors and resources |
| Restructuring and Privatisation | -Creation of 100% state-owned holding company-----Repairing and upgrading the networks  
|                          | -Privatising the subsidiary by |
| Human Resources        | -Provision of conditions of service  
|                          | -Advanced education and training for personnel  
|                          | -A National Electricity Institute (NEI). |
| Funding and Financing  | -High Operating cost (over eight billion/fifty-three million dollars) with 80% goes to salaries and welfare  
|                          | -Taxes and import duties incentives for FDIs. |

Source: The Electricity Power Committee (Bureau of Public Enterprises 2005)

The above plan by the EPC led to a robust policy known as the National Electricity Power Policy (NEPP) in 2001, which was then adopted by the Olusegun Obasanjo’s administration as its transformational blueprint for private sector participation. ‘The NEPP by the EPC indicated that the inconsistency in electric distribution was so severe that private sector ownership became seen as the only available solution for the government’ (Engineer Suleman, Member, Privatisation Committee). The NEPP was adopted by the legislature and passed into law because despite the ZEA opposition because;
The sector by the early 2000s, entered a phase of downward progression in the supply and quality of electric distribution, such that further investments by the government was not an option. The operational gap between power distribution and the installed capacity was such that if allowed to continue would have resulted in a total collapse of the sector, and the government was not going to let that happen.

(Engineer Okaro, Director PEA, Interview 2015).

Another representative in the Ministry of power argued that the decision to challenge the role of the state was because;

The sector became a failed project with no available remedy from the government. The dwindling performance and gap between the supply and demand of electricity in the country existed because of years of mismanagement, low investment levels, low skill development and corruption in the system. Moreover, the existing system would never achieve success unless it was removed or replaced with an alternative option.

(Dr Ogeh, Ministry of Power).

The above narratives summarised the political debate and statistical analysis presented by respondents at the policy level on why the EPC recommended privatisation as the only solution. For most of these respondents, the sector was nothing but a failed project despite the government’s attempt to rescue the sector and union opposition to the process.
5.2 The Proposed Reform Framework

5.2.1 The Legislative Proposition and Oppositions:

Following the organisational review by the EPC and its recommendations outlined in the NEPP in 2001, the government enacted the Electric Power Sector Reform Act (EPSRA) No.6, in 2005 which enabled the EPC to effect the above transformational blueprint outlined in the NEPP (Adeyemo and Adeleke 2008; Adoghe et al. 2009). ‘The EPSRA policy framework represented a step-by-step framework on how to achieve a comprehensive electric sector reform in the history of Africa that would end the chronic power shortages and the long-standing monopoly of the sector’ (Dr Ajoke, Senior Director, PEA). To this end, the EPSRA outlined the transformational guideline which enabled the EPC to initiate the unbundling process (with clauses on the retention of assets, liabilities and human resources), develop a competitive market framework, and establish a regulatory framework for the sector.

Even though the EPSRA was considered a comprehensive policy document by EPC, NCP and PEA, the ZEA challenged some sections in the Act which provided a leeway for employers to undertake employment-related decisions with no recourse to union involvement and contractual agreement during and post-reform. In Section 5 (1) of the EPSRA of 2005, the Act stated that:

> With effect from the initial transfer date, every person employed by the Authority immediately before the date shall be transferred to the service of either the Commission or the first holding company, on what the employer considers as terms not less favourable than those enjoyed by him immediately before the transfer.

The same restriction also applied to employees recruited by the holding companies after the unbundling process, as indicated in Section 21 (1) of the Act, which clearly stated that:

> Every person employed by the initial holding company immediately before the date specified in the relevant transfer should be transferred to the service of a designated successor company, on what the

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employer considers as terms not less favourable than those enjoyed by him immediately before the transfer.

The implementation of this Act in a sector where the ZEA was relegated despite its minor participatory role at the EPC, raised some questions. In its monthly newsletter dated 1/04/2002, the ZEA maintained that;

The EPSRA objective to promote competition and foreign direct investment would only be possible if employee’s right to better working conditions are maintained both in the short-term (in the unbundled company) and long-term (in post-privatisation) by the government. The idea that power needs to be transferred back to the employer, as indicated in the EPSRA would not be acceptable. The government must honour the Trade Union Act, which recognises the right of the ZEA in the sector.

(Union Awake, 2002).

The main concern with the proposed transfer of power back to the employer as outlined in the EPSRA, according to a senior ZEA representative in the Eastern Region, ‘was the human resource implications that would arise given the proposed drive for reduced cost and competitive market. As workers representatives, we must protect our members and the same applies to the employer who is answerable to shareholders. So, how did the government intend for us to protect employees rights given that the law favoured the employer?’ (Comrade Oligo, ZEA representative). ‘The issue which the EPSRA failed to recognise was the employment cost of privatisation if the unions were sidelined in the process’ (Mr Ozo, ZEA chapter representative). In another instance, a regional representative described the legislature as ‘a law that allows the employers to be the judge and jury. How on earth would employers determine what favourable or unfavourable outcomes are? For them, it is about profit ratio and shareholders?’ (Mazi Ogada, ZEA regional representative).

More analysis of the propositions in the EPSRA focused on the conflict between a favourable outcome and the issue of job security. For instance, a respondent at the chapter level asked;

How would the government reconcile the implementation of EPSRA and job security? With what happened in the telecommunication and other sectors, where privatisation led to
massive job loss, this legislation provided no reassurance for workers in the electricity sector. The promises of a favourable working condition in the ESPRA meant nothing to anyone.

(Engineer Odoh, Chapter representative, ZEA).

The Act echoed nothing but the government’s decision to privatise the sector over the interests of the workers. The EPC which most of us attended, focused more on how to achieve the government’s objectives, on the assumption that the private sector would result in better working conditions. The question which no one dared answer was, what would happen to employees if the employers failed to protect workers?

(Comrade Nze, regional representative, ZEA).

Following the enactment of the EPSRA and the final approval by the legislature, its compatibility with the political deliberation on better working conditions as stipulated by the EPC remained questionable. Even with the ZEA participation in the EPC review process, they still questioned the decision to privatise the sector. For the union, ‘the policy decision to privatise and the subsequent Act introduced, were silent attempts by the government to achieve its policy objective and at the same time weaken the union’s strength, and we saw it play out ’ (ZEA Regional negotiator).

5.2.2 The Privatisation Model: Changing the Policy Narrative

Following the ZEA opposition to the EPSRA legislation in 2005, the EPC organised a conference with all the stakeholders in July 2007 to renegotiate the government’s strategy on reform. ‘During the session, Engineer Dawuda, the EPC chairman on appropriation tried to reassure all stakeholders that the committee’s leadership was committed to a transparent process which recognised the union’s concerns’ (Dr Bello, EPC Appropriation team ). ‘The meeting also provided stakeholders with the opportunity to challenge and renegotiate the government ’s privatisation model’ (Mr Ukairo, Deputy Manager PEA).
Respondents from the PEA provided a similar response on the EPC meeting with stakeholders during their interview session in which they argued that the EPC decision to adapt to a privatisation model had more to do with the Nigerian security than political interests. What most of these respondents, struggled to defend, however, was the EPC’s decision for a direct policy transfer approach for privatisation based on the general assumption that the acclaimed ‘successes’ in developed countries would apply in the Nigerian case.
Figure 5.5: The Privatisation Process (1999-2013)

**First phase:** Unbundling of the integrated electricity distribution sector (2005)

**Second Phase:** The Regulatory Commission: (2007)
- Monitoring and Enforcement

**Third Phase:** Transition Phase: Campaign for Investors (2012)
- Bidding
- Human resource Development

**Final Phase:** (2013)
- Post-Reform Process
- Monitoring
- State involvement

**Source:** The diagram elicitation session with respondents in PEA (May 2015)

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Figure 5:5: During the diagram elicitation session on the 27/05/2015, the PEA representatives provided the above diagram on paper as their interpretation of a four-stage framework to summarise the privatisation process. The representation of their thoughts in the above was further developed by them for this research using key terms in the policy documents for a better clarification of their understanding of the process.

Interviewer: How would the government defend or justify these four phased privatisation models adopted given the opposition by the union?

Mrs Nkalagu (P): “The PEA decision for the privatisation model was transparent and good because we were able to bring in the best investors in the sector as far as I am concerned”.

Interviewer: What does the term ‘good’ imply?

Dr Obasi (D): “The public and labour had their reservations that we sold the companies to our friends and I do tell them that the bidding was made public and there were certain requirements the companies had to meet. When they couldn’t meet the criteria, they got investors and partnered with them to bid for the unbundled companies. We did as much as we could within our powers”.

Mr Nwachukwu (M): ‘Don’t forget that it was multi-agency exercise and every phase within the process went through stages of review and approvals’.

Interviewer: What was not clear throughout their discussions around this diagram was their thoughts on the ‘political justification’ for the privatisation model and its adaptability within the Nigerian political economy. Even with further probing from the researcher on the ‘four phases’ process and its success beyond the transfer of assets to the private sector, it was apparent that three of the respondents were not willing to critic the process. Instead, they defended the government’s adoption of the Delhi model of privatisation. Even when the fourth respondent (Mr Nwachukwu) seemed to agree with others, his countenance indicated otherwise…All attempt to probe Mr Nwachukwu further on his thoughts on the model proved unsuccessful.
The interpretation of the above privatisation approach in the sector by respondents in the PEA suggests that the above process was less about national peculiarity and more about adopting a certain privatisation model approved by the multi-agencies involved in the process. In the EPC report on the privatisation process, the agency maintained that contrary to the notion of a direct transfer approach, the adopted framework aligned more with the government’s transformational agenda. Therefore, ‘the idea that the state just decided on a process without any consideration of other underlining factors was just political propaganda by the union’ (Dr Olusoji, Policy division, PEA).

Even though the EPC promoted its privatisation model in the NEPP as comprehensive with a clear outline on the intended organisational changes, the framework failed to recognise the pre-existing political economy and provide a strategy for post-transition performance (Katz and Darbishire, 2000; Ross and Bamber, 2000; Tuma 2007; Xelhuantzi-López, 1997). For instance, the ZEA and non-governmental agencies such as the ‘Next’ association (small-scale business association) and consumer groups, challenged the sequence and adaptability of the framework to the electricity distribution sector. On this note, ‘the ZEA through its campaigns challenged the government to reconcile this policy drive to privatise with the political, economic, social-cultural and organisational challenges in the sector’ (Comrade Kelechi, Zea local representative).

The effectiveness of this process, however, came under question despite the EPC assertions, given the absence of a plan on how it would sustain competition in the unbundled sector. The unbundling of the distribution sector in 2005 into eleven companies only achieved a refurbished monopoly known as the PHCN (Power Holding Company of Nigeria) (Ajumobia and Okeke 2015; Oni 2013) or ‘what was jokingly and popularly known in the country as Please Hold a Candle Now’ (Comrade Odoh, chapter-representative. ZEA). A framework which most respondents believe existed despite the unbundling and commercialisation process, due to the absence of an independent regulator at the time, which further blurred the line between the regulated and regulator.

5.2.3 The Regulatory Framework: The Political Interference

The introduction of a reform model without an established regulatory framework raised concerns among policymakers who questioned the sequencing and the validity of the reform process without an ‘independent’ regulator in the sector. ‘For most respondents in the PEA, their main concern was not necessarily the absence of a regulator, but the need for an independent agency with less government interference’ (Deputy Director, policy division, PEA).
The government responded to the criticisms by commissioning the Electricity Regulatory Commission (ERC) in 2007, an independent organisation charged with the creation, monitoring, and the enforcement of established legislation in the sector. As a regulator, the ERC coordinated license operators, determined operating codes and standards, established customer rights and obligations and ensured adherence to operational laws. Their role also included the monitoring and enforcement of previous legislation, such as the National Electric Power Authority (NEPA) Act of 1990; the National Electric Power Authority Act, Cap 256; Laws of the Federation of Nigeria (LFN) 1990 (as amended) and Labour Act 1990 (Ajumogobia and Okeke 2015; FGN 2010, Oni 2013).

However, based on the Labour Act and the NEPA Act of 1990, ‘the ERC was instituted to create a legislative balance, that replaced the authoritative and bureaucratic framework created by the Ministry of Power when it came to the resolution of operational conflicts’ (Dr Babalola, Manager, PEA). While the ERC did not replace the Ministry of Power, it was responsible for establishing a boundary between the regulator and the regulated both at the macro level- policy stage, and meso level of the enterprise. A responsibility which the ERC tried to live up to, despite the continued political interference, or what Miller and Rose (1990) termed the unintended and intended outcomes.

The continued political interference in the ERC, which limited its regulatory effectiveness, was made possible by the presence of political appointees at the management level, which posed a significant challenge to the regulatory process in terms of enforcement and sanctions. ‘In a developing country such as Nigeria, the presence of weak institutions allowed politicians total control over any state-owned institution. So even though the ERC appointed commissioners were empowered to monitor and enforce the legislation, a letter from the Ministry of Power was able to overturn any enforcement decision’ (Deputy Supervisor, enforcement, ERC).

The Enforcement Division within the ERC before the privatisation remained underdeveloped. Mainly because its processes and implementation were still at early phases, with cases of legislative contradictions often due to political declarations.

(Mr Ngonadi, Director of Enforcement, ERC).
The legislative weakness in the sector was due to a combination of political, economic and individual factors. While the presence of appointed officials remained a problem, one could argue that the main issue at the time was lack of individual motivation to enforce these legislations. Now, for a country like Nigeria, where the government is ‘LAW’, the willingness to oppose recommendations by government officials remained low because no one wanted to be out of a job.

(Mrs Lukey, Enforcement Division, ERC).

Therefore, the role of the regulatory was bound by its consideration of the economic and political implications of its legislative enforcement on the government or ruling political class.

The economic projections in the country-influenced sanctions on the unbundled companies. For instance, given that the agency was aware that consumers would bear the cost of sanctions in the sector, our interpretation of the legislation at the time always considered of how the sanctions would impact consumers, employees and the government.

(Manager, Tariff Division, ERC).

The attempt to challenge the critique that privatisation was only politically motivated and for individual benefits, through the institution of the ERC did not make significant progress. This failure was mostly because of the continued presence of the state in the EPC and ERC, which influenced policy decisions. Although the ERC was regarded as an ‘independent’ regulator, the continued political interference through the appointed commissioners and the direct influence on enforcement decisions by the Ministry of Power not only challenged its independence but also questioned the possibility of sustaining or enforcing future labour agreements in the sector.
5.3 The Macro-Economic Agenda: The new Communication Framework

Once the Yaradua/Jonathan administration (2007-2010) took over governance, they initiated its macroeconomic agenda termed the Vision 20:2020\textsuperscript{20}, for economic advancement, which the government believe would be achieved through the liberalisation and privatisation of key public enterprises (Adeyemo and Salami 2008; Awosope 2014; KPMG 2013; Oni 2013; Ojo and Fajemisin 2010). The new policy direction was a direct response to the economic downturn between the 1980s and 1990s, which was attributed to the over-expansion of the public sector and the government’s commitment to maintain and sustain the Keynesian model- the welfare support system’ (NEPP 2001). Hence, the Vision 20:2020 policy bid, which aimed to secure Nigeria’s place among the top 20 economies by the year 2020, through sustainable social and economic development (Vanguard 2017). The involvement of market forces was presented as imperative, given the present ‘push’ and ‘pull’ factors such as low service supply, high network rates, inadequate service coverage and high operational costs (Kikeri and Nellis 2001; Megginson and Netter and 2001; Parker and Kirkpatrick 2005; Zhang et al. 2002).

The policy initiative defined the administration’s strategy to continue the privatisation process initiated by the previous administration as represented in the National Electric Power Policy of 2005 and the EPSRA of 2005. After the death of President Yaradua in 2010, the Jonathan/Sambo administration (2010-2015), introduced a new policy agenda. The agenda not only recognised the importance of collective bargaining during the privatisation process but took strategic steps towards this new policy direction. The policy led to the inauguration of the Action Committee on Power (ACP) in May 2010 and the Task Force on Power (TFP) in June 2010 in direct response to union demands. While ACP was mandated to provide guidance and leadership throughout the entire process, the TFP was, more inclined to the implementation process. After this reintroduction, the ACP and TFP initiated communication channels with representatives of the national and sector unions. Part of the communication process involved a review of previous agreements and the union’s recommendations on the reports for reform in the sector.

\textsuperscript{20} As a long term, the vision 20:2020 of 2010, serves as a developmental goal designed to propel the country to the league of the top 20 economies of the world by 2020. This policy which was acceptable despite ethnicity, economic status, and political leanings, involved a three to four-year plan that cut across social-economic, institutional and environmental developments that could only be feasible in a country with sustainable electric services.
5.3.1 The New Policy Agenda: Labour Response to the Process

The response of labour to this process according to Babangida - a representative in TFP, was ‘a mixed reaction because while the ZEA union leadership decided not to participate, the national union stayed on the committee but with mixed results. In a media chat, President Goodluck Jonathan reiterated the administration’s commitment to continue with the Olusegun Obasanjo’s power sector reform through its Vision 20:2020 agenda. As part of its policy for the restructuring in the sector, the president during a media interview noted that;

The availability of constant electricity supply to consumers and industrial users across the thirty-six states is one that the government and all stakeholders since the 1970s have approached with so much hope and yet experienced frustrations. However, this administration hopes to challenge corruption and bureaucracy, crippling the sector's 'success' and restore the hope of Nigerians by privatising the electricity sector. The administration’s privatisation agenda hopes to attract more FDI than any Sub-Saharan Africa country, to ensure that the distribution networks built between the 1980s and 1990s function maximally despite increasing consumption levels. (Vanguard 2010).

In their response to this government’s economic agenda, the ZEA, through its media campaigns, described it as policy strategy intended to end the traditional workplace environment in the electric sector. Part of their concerns, according to Comrade Odoh, a union representative was the issue of trust and transparency in the process.

For me, the government’s introduction of the TFP led to several questions. What is the possibility that a democratic president would reverse the restrictive approach of the military governments and the former democratic government? Take, for instance; the privatisation was reintroduced by Obasanjo, a former military president between 1976 and 1979. Since, the initial process failed to recognise the place of the union, what was the guarantee that the TFP would? How would this administration with the political elite who were once part of the
military system and the former government, turn around and change the same system for good?.

(Comrade Odoh. Chapter Representative).

Also, on the issue of ‘trust’, another respondent noted that;

If this were America or the UK, I would understand, but in Nigeria, we do not expect anything from the government. All of a sudden, the government wanted to listen, and we believed it was in the interest of workers.

(Engineer Nwabekwe, ZEA regional representative).

The government’s resolve to negotiate with the union was reached following a summary report by the Chairman of the Privatisation committee who noted that:

There is no doubt that labour is a significant obstacle to the successful implementation of the process. It was apparent from the oppositions and strike actions that the union officials would not willingly cooperate with the government in reforming the electric power sector. On several occasions, they have prevented investors and consultants from having physical access to the equipment and networks. If the electric power sector reform Roadmap for Power Sector programme would be successful, the government must take urgent steps to resolve labour issues.

(Chairman-Privatisation Committee, FGN 2010)

The labour response to the TFP policy agenda to negotiate, coordinate and resolve all labour concerns in the sector raised many questions. Especially for most local union representatives, they could not reconcile the sudden change in policy by the government to negotiate.
5.4 Conclusion

The privatisation policy in the electricity sector after the return of the country to a democratic regime in 1999, created mixed reviews between government representatives (ERC, EPC and PEA) and the union (ZEA). Starting from the initial government announcement in the year 1999 to the ZEA’s involvement in the EPC and then the economic agenda in 2007, the union expressed doubt on the political objective to privatise and their role in the process. The issue of ‘trust and transparency on the part of the government was due to historical reform processes by the previous government, the union’s struggle and the subsequent passive involvement of ZEA in the proposed transformational agenda in 1999. Part of the question which the ZEA raised and which is part of the research question, centred on the underlining political objective to privatise and the industrial relation implication. Imperative because most of the local union representatives could not reconcile the future of work and the proposed privatisation agenda initiated by a president (Olusegun Obasanjo), who was part of the past military regimes that messed up the power sector.

The political response to these union’s concern began with the inauguration of the EPC, to review the sector and propose a reform framework and legislative propositions centred around the assumed ‘success’ through privatisation. The criticism, especially from the union and non-governmental organisation was the possible transfer of this assumed ‘success’ model to the Nigerian case. Part of the concern with this model, which also trailed the 1980s Structural Adjustment Programme (SAP) in Nigeria was the failure of the government to acknowledge that the internal and external institutional dynamics within the sector differ from other cases. Secondly, the simplicity of the government debate that the privatisation of the electricity distribution sector equates to improved labour relations without the thought of the potential implications for job security within this process. This was because of questions on the validity of the data and the lack of a comprehensive documented data on the sector. The representatives from EPC responded to this issue by organising workshops and further analysis on the sector, and from the data obtained, reached an agreement (without the union) on five key issues which supported the rationale to privatise.

In direct contrast to this policy agreement which led to the creation of the National Electricity Power Policy (NEPP) in 2001 and the Electric Power Sector Reform Act (EPSRA) of 2005, was the debate by the ZEA. Even though the ZEA acknowledged the challenges within the sector, they also pointed out the absence of a defined employment-related strategy at the initiation of the reform agenda. In their response to the privatisation process, the ZEA
described the drive to privatise as a ‘political statement and an anti-labour process with a negative impact on job security and employees working conditions given the underdeveloped and weak labour institutions in the country’ (ZEA national coordinator). One could interpret this as their indirect response strategy given the historical labour relations framework that existed during the military regime.

Industrial relations in the sector evolved following a change in government, which led to the inauguration of the Task Force on Power. Unlike the EPC which was mandated to implement privatisation, the TFP engaged directly with the union on all outstanding labour issue in the sector. While the policy change was commendable by most union representatives, it raised questions on the underlining political agenda for this policy change. This was because the TFP was inaugurated following the report by the Chairman Privatisation Committee, who stated that privatisation would only be successful if all outstanding labour issues were met. The question which the next chapter aims to answer is this, ‘was the government’s change of policy towards industrial relations initiated to achieve its underlining political objective to privatise, or a strategy to protect employee voice during and post the process? Why and to what extent did the government engage directly with the union given gaps in the legislation underwriting this? How did the initial union response to the process influence their negotiations with the government which took over the process and why?'
Chapter 6

The Management of Employment Relations in the Reform

6.0 Introduction

As discussed in the previous chapter, the policy review by the Electricity Power Commission (EPC)\(^{21}\), led to the National Electricity Power Policy (NEPP) in 2001 and the Electric Power Sector Reform Act (EPSRA) No.6, 2005, which supported the government’s political and economic debate to privatise the electricity distribution sector. Their approval by the government was resisted by the ZEA\(^{22}\) who argued that the legislation (NEPP and EPSRA) solidified the government’s intent to privatise the electric distribution sector, with no consideration to the industrial relations implications. In their June 2010 communiqué to the EPC and the PEA, the ZEA maintained that their concern was not the government’s drive for economic advancement through its Vision 20:2020, but its interpretation by the government which before 2007, alienated any discussions on the sustainability of industrial relations during and post-privatisation.

The above policy narrative by the union evolved following the December 2010 court ruling by Justice Okon’s in Buja High, on the power of the government to privatise. In the court ruling, the Judge insisted that employees would not decide for the government on how to organise in the sector when to privatise and alternatives to its established privatisation process. The ruling led to the December 2010 strike action by the ZEA, who challenged the continued neglect of the collective bargaining process in the privatisation process. Following this strike action, the Jonathan/Sambo administration (2010-2015), initiated its labour-engagement strategy, which led to the inauguration of the Task Force on Power (TFP). Following their inauguration, the TFP became responsible for resolving all labour-related concerns to avoid further delay to the National Electric Power Policy (NEPP) short-term and long-term objectives of the process. To this end, the TFP initiated a multi-tier negotiation and renegotiation process between the EPC, PEA and the ZEA, which proposed the advancement of employees and government’s mutual interests in the privatisation process. The agenda was

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\(^{21}\) The EPC, as a government appointed commission with representatives from all the stakeholders involved in the electricity sector, was formed to supervise and direct the privatisation of the electricity sector.

\(^{22}\) ZEA- Zonga Electricity Association is the central union for electricity workers in the distribution, generation and transmission companies. For effective management and representation, the ZEA divided its operation across four distinct level: national, regional, zonal and chapter levels, with representatives across the shop floors and unit levels.
to secure the future of work for employees (over 80% membership in the networks located across the thirty-six states of the country) through its transformational agenda.

Therefore, after several stages of negotiations between the TFP, other government and union representatives, they reached the Labour Based Agreement (LBA) in 2011, with clear short-term and long-term agenda, determined to protect employee and political interests. This chapter attempts to explore how the TFP (government representatives) approach to collective bargaining with the ZEA, influenced the union’s negotiations and renegotiation strategy during the privatisation. Secondly, the chapter also examines whether the government’s change of policy towards industrial relations in 2010, was initiated to achieve its underlining political objective to privatise or a strategy determined to protect employee ‘voice’ pre and post the process?

In this chapter, the study explores how the Task Force on Power’s (TFP) repositioning agenda as outlined in its 2010 position papers, influenced the ZEA reactive response and renegotiation strategy and how they shaped the privatisation outcome. The chapter begins with the policy repositioning process by the TFP which upheld the inclusivity of the government’s objective and labour concerns, under the presumption that these opposing interest would be resolved before the transfer of assets to the private sector. The policy decision by the TFP was irreconcilable with the initial political stance of the government (Ministry of Power and PEA) which before 2010, favoured autocratic relations where the government dominated the employer and regulatory positions. The absence of an integrated agenda led to a policy gap between the TFP consultation strategy and the existing policy framework in the sector, which not only encouraged an unbalanced power relationship (between the union and the state) but resulted in a conflicted policy position by the state. Such that even with the TFP consultations with the union, the government-initiated changes in the internal labour market that were averse to the TFP transformational plan. The outcome of this conflicted policy position was the initiation of new contractual arrangements such as a freeze in permanent employment, contracting and freeze in automatic/civil service promotion with no consultation with the union. The chapter moves on to the ZEA response to these changes, which included formal and informal consultation/communications at the national, sector, and unit-based levels. Following constant and seemingly unending strike actions in the sector, the TFP reorganised its negotiations through a comprehensive policy framework that recognised the conflicting interests within the sector. The outcome of his process was the Labour Based Agreement in 2011. Finally, the chapter examines the LBA conditionality on job security, pay-outs and
entitlements, career progression and skill development before the transfer of the companies to
the private sector. This was important because while the LBA may have indicated success for
the ZEA, the apparent gaps within the legislation in terms of the enforcement of this
agreement at the macro and company levels by the regulator, raised concerns on the
practicality of the LBA in the privatised sector. These questions are addressed through the
analysis of data from secondary sources and original empirical material from fieldwork
interviews. The chapter concludes that privatisation and the labour relations implication in a
sub-Saharan Africa country like Nigeria involves a multi-faceted approach, driven by
underlining political, economic and socio-cultural interests, often reflected in the
government’s autocratic approach to governance. In this context, industrial relations in a
democratic regime presented a mixed-approach which suggests that the debate on regime
type (Huntington and Nelson 1976; Paczynska 2007), cannot be generalised (Biagliaser and
Danis 2002), but must be considered within the context of the political economy.

6.1 The Policy Repositioning Agenda: The Multi-level Communication Framework

The inauguration of the TFP in 2010, an agency which the union initially saw as another EPC
by the new administration (Jonathan/Sambo 2010-2015), was challenged by the ZEA who
questioned the administration’s right to continue with the privatisation of the electricity
sector. The union’s challenge ended up as a legal case, where Justice Okon of the Buja High
ruled that employees would not decide for the government how to organise in the sector when
to privatise and possible alternatives to the privatisation process. The union’s response to this
ruling was a call for strike action on the 15th of December 2010 that closed down the
networks across the country for a day.

The TFP initial response to this call for strike action began with formal negotiations with the
union, in line with its repositioning agenda and what Dr Shola, Manager, Ministry of Power
described as ‘a hand of friendship to the ZEA for more meetings’. In order to achieve its
repositioning agenda, the TFP also inaugurated the Joint Labour Committee (JLC) and a
Partnership Problem-Solving Team (PPT), as independent sub- sub-committees. While the
JLC was mandated to review the past government-labour issues, the PPT initiated its
consultation with local union representatives across the networks(national, regional, zonal
and chapter). The aim was to integrate all conflicting interests (government agencies and
union) and then rebuild employees confidence in the government’s commitment to
transparency within the consultation process.
The challenge with the TFP initial repositioning agenda, was that it failed to recognise and integrate the existing policy positions on union involvement in privatisation, the absence of the employers at this stage (these policy decisions occurred before the handover to the private sector in 2013) and the need for legislatures that would protect any decision reached in post-privatisation. In the absence of any policy review by the TFP, respondents at the ZEA national level indicated that during its first meeting with the TFP, they pointed out the internal policy divide between the propositions made by the TFP and the other government representatives. First was the judiciary ruling in Buja High court in November 2010, where Justice Okon insisted that employees could not decide for the government how to organise, reform or when to privatise. ‘After the court ruling, came the reintroduction of the ‘no-work, no-pay’ labour law by the Ministry of Power in an attempt to deter further strike actions by the ZEA’ (Comrade Olushola, Regional representative). While these restrictive policies on trade unionism were being implemented and with no review by the TFP, the agency (TFP) went on and introduced its repositioning agenda that proposed an involved engagement framework with the ZEA aimed at resolving all employment-related concerns within the privatisation process. ‘The conflict for most workers was the fact that the government was speaking from two sides of their mouth.

On the one hand, employees cannot exercise their right to strike; on the other, all concerns would be resolved. Even when the conflicts in terms of the right to strike was pointed out, the TFP representatives could not provide an adequate response to it. All we got was, it is a law that would be reviewed with time’ (Comrade Atigwo, ZEA Regional representative). ‘The absence of a clear directive from the government was the reason for the union’s objection to the TFP repositioning agenda, which directly conflicted the Ministry of Power’s implementation of the no-work, no-pay rule. To further aggravate the matters, the Minister insisted that the government had the legal right to continue with the reform with or without the union’ (Regional representative, ZEA).

These conflicting communication from these government agencies created an internal divided, which led to the union’s temporary withdrawal from the negotiations. The union’s withdrawal according to a regional representative was ‘in direct response to the government’s unwillingness to clarify its mixed messages on the political objective to privatise and the fate of employees during and after the process’ (Mr Babaginda, regional representative, ZEA).

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23 The TFP representatives, unlike other government agencies were not career employees, but representatives appointed by the presidency for resolving outstanding labour issuers ‘before’ and ‘post’ privatisation.
‘Instead, the union faced the continued totalitarian characteristics of political appointees who expected nothing from employees but zero objection to the privatisation process. To which we said no. We knew our rights as workers and were determined to defend it to the end’ (Mr Odoh, ZEA chapter representative).

The government’s response to these issues was a re-sensitisation and reconciliation meeting in Buja between the TFP, PEA and the ZEA in the first quarter of 201124. Before the meeting, the PEA (government representative in the privatisation) and the ZEA were asked to each submit ‘position papers25’ that outlined their understanding of challenges in the sector and the privatisation process (government and employee-related concerns). The meeting records indicated that the discussions which occurred following the meeting in Buja were a clear indication of the complexity of parties involved in the sector. This was because position papers submitted by the PEA and the ZEA representatives on their interpretation of how to achieve better working conditions and an efficient electricity sector differed extensively. A member of the TFP stated that the position papers ‘provided a clear view of the conflict of interest that existed in the sector. From the position papers, it was evident that there was a clear divide between the government’s position and that of the unions’ on how and when to privatise and the possible impact of the process on employees in the sector’ (Engineer Kachi, TFP Policy Division). The divide as indicated in the meeting records was such that while the PEA focused its debate on privatisation as a cost reduction and network expansion strategy, the union maintained its stance for commercialisation and public-private partnership, as against outright sale of the assets. Following the position papers and deliberations with representatives from the government and the union, the TFP proposed a ‘joint policy strategy’, which they believed would achieve privatisation and also resolve all labour issues. The joint policy strategy by the TFP was in line with the government’s position, which a Senior Director in PEA, during the interview insisted was the only solution for the sector. He noted that ‘the government’s position paper provided a clear solution to the sector’s underperformance due to equipment burn-outs, outdated networks, corruption, inadequate investment, under-skilled workforce, poor infrastructure and customer service. Therefore, unlike the union’s strategy, which insisted on retaining the existing organisational

24 During the interview in May 2015, respondent’s opinion on the exact date of this meeting differed considerable between the unions and government representatives. They however agreed that the initial meeting occurred during the first quarter of the year 2011.

25 The 2010 position papers involved the mandate from TFP to state representatives and labour to submit their propositions for the reform, concerns and objectives in the process. More of a reconciliatory process because of different phases of negotiation which have failed to achieve considerable progress.
framework, the government argued that any medium or long-term restructuring in the sector would only be through privatisation’ (Dr Ajoke, Senior Director, PEA).

In their response to the TFP position, the ZEA while acknowledging the inconsistency in the electricity sector, also challenged the TFP’s position that privatisation was the solution to the dwindling performance in the sector. The ZEA regional negotiator reiterated the union’s position during an interview, where she maintained that ‘the TFP repositioning agenda did not provide a clear policy direction in terms of how it intended to resolve opposing interests in the sector. It only reiterated both parties concern in the position paper, but with no alterations to restrictive policies by the government. The idea that privatisation would occur with or without the ZEA’s involvement was also not addressed in its initial report’ (Sister Samilia, ZEA national negotiator). The absence of a clear policy directive led to the characterisation of the TFP by the union as a political front. ‘Initially, most of us at the chapter level described the TFP as a political attempt by the government to get ZEA on board the privatisation process rather than resolve the labour issues. The question of transparency when it came to promises made by the TFP was evident during the earlier meetings that occurred at the chapter and unit level between its representatives and the union. This was because their strategy lacked specifics on how they intended to deliver on their promises’ (Comrade Odoh, Chapter Representative). Some other ZEA representatives reached a similar conclusion on the effectiveness of the TFP.

The attempt by the TFP to initially reintroduce government-union negotiations was commendable. Most of us saw it as a call to get the union back to the consultation stage. However, the TFP being a government agency operated within the framework for privatisation already established by the EPC, and this posed some challenges. Secondly, the fact that the TFP was a representative of the government posed some challenges. Most of us saw the agency as an attempt by the government to listen to employees as against listening to our concerns and making strategic policy changes. Because although they listened to employees’ concerns, its concern was more on how to achieve the government’s agenda to privatise. Hey, it was a public company, and in Nigeria, the government runs the show.

(Comrade Ezenwadi, Manager, ZEA Implementation Division).
The union attempted severally to negotiate with previous governments and achieved little success. In this case, all we got from the previous government was that privatisation would make every concern away. In 2010, we received a court injunction which empowered the government to privatise in peace. Before we could even engage in serious protest, boom… they introduced the TFP. The question which I asked then was, how come the government was now willing to negotiate? What changed and why... we all knew what happened. Power happened, forget the call for partnership.

(Dr Jakende, ZEA national representative).

The state needed to achieve its deadline and having utilised all the negotiation process necessary, TFP was the final step to ensure it met the deadline for the privatisation process. The re-sensitisation by the TFP was all for the government and not workers benefits?

(Engineer Momoh, ZEA regional representative).

The effectiveness of the TFP by mid-2010 came under questioning by most employee representatives who characterised it as just another government initiative to further its underlining political objective to further its employee rights. A clear indication that the privatisation approach, and extent of negotiation as indicated by the Dr Jakende, was shaped by the political economy. In the case of Nigeria, with underdeveloped labour institutions, the government’s dominance in the entire process also influenced the TFP repositioning agenda. Such that despite the TFP’s agenda to secure employees’ rights and re-establish trust and transparency within the capital-labour relations, its success was constrained by restrictive labour policies from the Ministry of Power and PEA. The entire process according to a respondent was ‘‘more divisive than inclusive, following the no-work, no-pay policy against strike actions, which had no place for workers concerns’’ (Barrister Nze, ZEA Legal division).
6.2 The Unions Response to the Repositioning Agenda

6.2.1 The Reactive Policy Response

The ZEA initiated a reactive response to the TFP repositioning agenda following the indicative policy divide between the TFP and other government agencies. The union’s response to this policy divide began with media campaigns, and a temporarily shut down the negotiation channels between them and the TFP. The absence of negotiations at the macro and meso levels was followed by ‘the unions call for strike action which occurred on the 15th of December 2010. The strike was in response to the TFP initial ‘joint policy strategy’ introduced following its request for position papers from the union and other government agencies. The TFP’s policy expressed in its call for position papers appeared strategic at first to the union, until we noticed it was just a stalling tactic going nowhere’ (Mrs Odogwu, ZEA local representative). Hence, the strike action on the 15th of December with demonstrations across main networks. The demonstration in Logos began from the Maryland Transmission Office. Similar demonstrations also occurred across other offices such as Beni, Nsaka, Ogu, Umuia, Kuta, Saba and Elta. The protest received massive support with workers and other stakeholders who joined in the march across designated areas. ‘During the peaceful protest, almost thirty-five of our workers were arrested by the police officers who said they received instructions from the top police leadership to arrest any party involved. The plan was to end the protest, and they won because they had the security personnel with ammunitions and we only had our placards and voice. They also positioned armed military personals outside the electricity networks and even at the union’s regional and chapter offices’ (Engineer Abdul-Waziri, Distribution Division). ‘In Logos, the military intervention was so severe that workers had to disperse after a few hours. The intimidation was so much that while the government argued that the use of military officers was only to protect the network facility and guarantee the security of workers, we clearly understood the message of intimidation and restraint and this was not the first time or last….. mark my words’ (Comrade Odoh, ZEA representatives). The effectiveness of this strike action remained disputed among employees and union representatives given that the action abruptly ended following the intervention of armed military and police personnel’s who challenged and disrupted the event across the country.

Following the December 2010 strike action which failed to achieve the unions projected ‘success’ because of disruptions from the military and police, the union leadership circulated
a meeting invitation to representatives and stakeholders across the regional, chapter and unit offices to appraise and evaluate the strike action. During this meeting which held on January 22nd, 2011 ‘the union agreed on a change in strategy to protect workers’ rights since the government was determined to privatise. The aim at this point was to avoid what happened in the telecommunication sector where workers left with nothing after years of service. The government was ready to carry on, and we needed to secure our interests’ (Comrade Balogun, ZEA regional representative).

The TFP interpreted the strike action as a direct opposition to its attempt to resolve all concerns in the sector. So, instead of the TFP policy resolution which stipulated direct negotiation in the event of strike actions by the ZEA, the Ministry of Power, triggered the ‘no-work, no-pay’ labour policy for any employee that refused to go back to work. The ‘no-work, no-pay’, according to one respondent in PEA, was only triggered ‘to protect the company’s assets during the strike actions and avoid economic impact on the country. The government deployed that policy and invited the Nigerian military to protect the assets in the company as workers protested. At no time did the government attempt to use the military or the policy as a ploy to crush employees as indicated by the union., For us in PEA, anyone who decided to strike should not be paid’ (Dr Mbam, Policy Division, PEA). The use of the ‘no-work, no-pay’ policy and the military by the Ministry of Power was considered a success because employees resumed back to work to avoid direct retaliation from the government.

Following the failure of this reactive response, the ZEA ‘initiated a more proactive strategy in which representatives proposed the need for a renegotiation strategy with the TFP and other government agencies, that would not plummet the union’s strength in the sector’ (Engineer Nze, ZEA local representative). The direct government response to the strike action with no call for negotiation by the TFP became a challenge for the union as they explored ways to sustain its relevance both at the company and policy level. It was a case of ‘how and ‘when’ to engage without further eroding the dwindling union strength at the negotiation stage’ (Engineer Joma, ZEA). The initial attempt to resolve this direct attack on union power and relevance the union called for a national ZEA meeting with regional and chapter representatives at Ogba sub-station network (Exon Distribution Company) on the 21st of October 2010. ‘During the meeting which began at 9:00 am, in the general assembly room, Comrade Suliman, a northern representative made an opening prayer. After that, local representatives presented their collated data on employees concern with the proposed privatisation, the strength of ZEA across the networks, membership gain and loss levels and
members responses to the privatisation process’ (National coordinator, ZEA). ‘The conversation during the meeting started well but within ten minutes, degenerated as most local representatives in attendance expressed their frustration with the conflicting information coming from the ZEA leadership and the government’ (Engineer Nnanna, Chapter representative). The union meeting record showed that ‘the exchanges at a point, became so divided, incoherent and intense especially between the three class of employees represented - A (those close to retirement), B (those on permanent contract) and C (those on temporary contracts). The division between these employee representatives was such that while those close to retirement wanted the ZEA to accept the government’s decision and secure their pensions, those on temporary (with over 10 years in the sector, zero pension or permanent entitlements) or permanent (B) contracts, found such decision unacceptable’ (ZEA Ogba meeting, October 2010). Some of the respondents during an interview noted that most of the concerns raised during the meeting for those in ‘B’ and ‘C’, focused more on the future of work in the sector.

For most of us local representatives, our concern was more about what would happen to our networks, members and even us if the networks got privatised? After giving seven years in this sector with promises of promotion, permanent positions for those on temporary contracts, the thought that our future would disappear in a flash was frightening, unnerving and unacceptable. While some speakers focused on pensions, most of us with fewer years in the sector wanted a promise to keep our jobs after the process.

(Mrs Ngwa, Accounting Division, Exon distribution).

The look on the faces of some regional leaders during the meeting was an indication that hope was gradually disappearing. The ZEA national leadership merely reiterated information handed down from the government. What the ZEA national leadership failed to recognise at this point was that we had subordinates to report back to, and they would request a clear picture for their future. Everyone in my network was aware of the meeting and were waiting for me to return. As I
drove back to my network, a lot went through my head. What was I supposed to tell them on return? I merely said we are working on it..... hmmmnnnn, before ending the unit meeting to avoid further questions on specifics.

(Engineer Ibe-Eze. Linesman Supervisor, Kank distribution).

As a member of the chapter leadership, I could not lie to my subordinates because even though we received reassurances from the national leadership, I did not trust the Nigerian government to come through. So, I proposed at that meeting for more renegotiations between the national leadership and the government and that was the feedback I provided to my subordinates at the chapter. I did not want to be quoted?

(Comrade Asogwa, Chapter representative).

The meeting records noted that after several hours of deliberations, the union representatives reached an agreement that the national leadership should reinitiate a more strategic response that would encourage more renegotiations at the macro level with the TFP. The decision at this phase saw the union evolve from its outright opposition and reactive responses to a more proactive and measured response.

6.2.2 The Re-negotiation Strategy

The union’s renegotiation strategy evolved following the TFP proposal to the union for a comprehensive framework that integrated the different policies within the sector. The proposal was contrasted by the Ministry of Power and EPC who resolved to continue the process with or without the union. Following the re-emergence of this internal divide, the ZEA called for a regional meeting in Lobas city which took place between the 10th and 11th of March 2011 and had in attendance, its zonal and regional representatives across the country. During the two days meeting, the representatives again reviewed the TFP re-sensitisation agenda, the complexity of the 2010 positions papers, and the inability of the TFP to provide clear policy direction on the future of employees in the sector. In his response to the internal
divide at the policy level, the National Publicity Officer- Comrade Fushoa, proposed a multi-level approach which partially recognised Mackenzie’s (2000) assertion that firm-level changes are influenced by the external political economy in which the firm characteristics are embedded into. The proposed framework by Comrade Fushoa suggested that the union moved beyond its militancy and co-operative dichotomy (Bacon et al. 1996), towards a more comprehensive framework that integrated the sector beyond the single level negotiations with the TFP. The focus of this strategy as stipulated in the Lobas meeting records was for the union to achieve a bargaining strategy that would not only protect employees irrespective of their contractual agreement or membership status but effective at the negotiation level. Following the two day deliberations, the union representatives also explored other alternatives which entailed the involvement of its stakeholders (other unions and consumers) and international links and in attempt to enhance its dwindling bargaining power in the sector. After the deliberations, the union representatives voted for a comprehensive framework which had clear terms on employee ‘voice’ and ‘rights’ irrespective of their contractual agreement or employee classification (ABC) in the sector. The agreement reached to include the following:
The ZEA’s decision to adopt the above framework, which the union considered to be comprehensive, reiterated its stance as an institution that recognised the dynamics of employment contracts within the sector. For most of the ZEA respondents, ‘the introduction of the comprehensive framework by the ZEA leadership further strengthened its image as a political institution that secured employees contracts irrespective of prior arrangement’ (Comrade Odo, chapter-representative). In its communique to the TFP dated 24/01/2011, the ZEA proposed the above framework and also recommended a possible review of the initial assessment of the sector undertaken by the PEA and EPC in the year 2000. Part of which included the issue of the ‘unjust workplace contracts’ especially for those on temporal/fixed and industrial contracts, who got paid less than 20% of the basic salary of those on permanent contracts. The intent of this proposal as indicated by the ZEA National Coordinator was not necessarily in support of the push’ and the ‘pull’ drivers (Eberhard
2007; Meggison and Netter 2000) for privatisation, but the call for the government to rethink its privatisation programme. He further went on to say that ‘unlike the idea that the private sector would automatically result in better efficiency levels in the sector, the union wanted the government to appreciate that its solution to challenges in the sector must be unique to the distribution sector. Because while privatisation may have been accepted in other countries, the Nigerian condition was unique’. Another issue which the ZEA referenced in its communique to the TFP was the prevalence of the Nigerian factor such as over-pollicisation, red-tapes, favouritism, corruption, ethnicity and their interference in the process thus far.

The privatisation process was a premature and cosmetic process by a government which believed that the process guaranteed success in the sector. What this policy process failed to consider was the influence of other factors within the sector and how they would impact the process. We tried to explain this to the government agencies, but no one listened.

(Comrade Johnson, ZEA Zonal representative).

One of the challenges which the government failed to recognise was the difference between the public sector and private sector employees in the country, especially in terms of industrial relations which was almost absent at the time in the private sector.

For us in the ZEA, we tried to explain to the government that there is a difference between how ‘work and work satisfaction’ is interpreted in the sector and how it varied from the private sector in Nigeria. For most private-sector employees, work was about career progression and a possible move from one company to another in line with their career growth and wage increase. That was not the case for public sector workers who are more interested in job security, better salary and pension, through union representation.

(Comrade Emma, ZEA Regional Representative).
Unlike the private sector, which has no significant union representation, the goal of most public sector workers is union representation and job security. To achieve this, the ZEA leadership made promises to employees that they would secure their interests in terms of wage, career progression, job security- irrespective of contract terms and a guaranteed pension. The policy decision was, however, successful because most workers cared more about job security beyond the process.

(Engineer Ngozika Eze, ZEA Regional Representative).

Following these differences and with no clear policy direction from the TFP, the ZEA initiated a policy agenda determined to strengthen its presence within the network.

The union initiated an internal policy programme intended at strengthening its presence across the networks. This was based on the national leadership’s decision to defend employees and ensure that no one stole what belonged to them under the pretence of ‘we are on your side’.

(Barr Udoji, Public relations, ZEA).

Most of the workers at the chapter level insisted that the decision to engage with the TFP should only take place after a complete reassurance by the ZEA leadership that such strategy would secure workers interests in the sector. This was because every worker in the sector have paid their dues and therefore, were determined to receive what they deserved, privatisation or not.

(Comrade Bolaji, Policy division, ZEA).
The above ZEA initial renegotiation strategy which focused on membership and further
consultations with the TFP received mixed reactions especially from employees at the lower
levels (chapter and business units), who questioned the sincerity of the government. In Ojoga
network of Exon distribution, for instance, the meeting record showed that during it is
monthly ‘thank God is Friday’ on the 12/01/2011, the discussion on possible renegotiation
with the TFP was met with mixed reaction. There was a clear internal divide between
employees in their interpretation of the ZEA proposed renegotiation strategy with the TFP.
While some employees considered the union’s decision for a partnership approach with the
TFP as weak and a challenge to future negotiations, others commended it as more strategic
than strike actions. The conflict according to Comrade Bolaji was that ‘the union’s plans to
renegotiate with the TFP included no plans on how it intended to survive given instances on
how the government managed previous privatisations in the country’. This position was
supported by the Divisional Supervisor who noted that ‘the previous government-union
engagements and the inconsistency of the government with previous agreements should be
the standard for the consultation. An instance was the telecommunication sector, where
employees got nothing. In that case, I maintained that since the government always failed in
their agreements with the union, why negotiate?’ (Mr Etuka, Divisional Supervisor).

Further discussions regarding the meetings with representatives revealed how the interest of
most employees during the meeting was not the renegotiation process but how it translated to
their job security. The chaos during these meetings, according to Mr Akbar, a network
manager in Exon, exposed the internal divide between those who wanted no negotiation and
those who favoured negotiation to protect their jobs. He noted that ‘most of the meetings on
privatisation, to the best of my recollection, was all shouts and nerve. During the meetings
and discussions, most of us insisted that our job security in the sector was more important
than pay packages. Others, however, needed reassurances that our interests would be
represented if they agreed on negotiations with government’ (Network Manager, Exon
distribution).

In the Qwest distribution, employees responded differently, as they focused more on the
narrative of us versus ‘them’ and insisted that while government’s agencies would always
support the political agenda to privatise, the union needed to defend employees’ rights across
the networks. For most of these employees, the ZEA renegotiation strategy must include a
clause on ‘no privatisation and the return to status quo (continue as a public enterprise). Their
policy position for zero privatisation, not only contrasted the debates in other networks but
posed a challenge for the ZEA, who struggled to unite the divide. The issue at that point, according to Dr Oliver, a regional representative ‘became that of coordination across the network level. Most of these employees’ position was so strong that they gained the support of some local representatives’ (Dr Oliver, Regional representative).

6.2.3 The Internal Organisational Divide

The ZEA internal renegotiation proposal went through several restructuring phases in an attempt to restore members ‘trust’ in its ability to secure better working conditions irrespective of the privatisation. Traditionally, the internal consultations between the ZEA national representatives and local representatives occurred across four levels (national, regional, zonal and chapter), which allowed for a down-top progression of events. The internal divided that emerged led to disagreements within the union’s traditional centralised consultation framework. The outcome was a three-level (XYZ) motivational framework among employees. Such that the interpretation of the negotiation process differed between the X (those who believed the state) employees, Y (those who believed the union narrative) employees and Z (those who supported any convincing argument) employees. The divide according to one respondent ‘existed because of the absence of any defined labour agreement between the ZEA and the government, duplicated information at the policy level (TFP and EPC) and growing concerns on the safety of jobs in the networks’ (Linemen supervisor, Exon distribution).

For other respondents, the internal division was a combination of several factors and concerns within the centralised framework. In one case, a local union representative noted that ‘the consultations approach between ZEA representatives and employees at the time, was more of information sharing. The information gap was particularly daunting for most workers who despite promises by the union believed that it was over’ (Comrade Ozo, Eastern Unit-level representative). Similar responses which resonated with Comrade Ozo’s position emerged during a diagram elicitation session with some ZEA local representatives (representation of the XYZ classification) in Abah network. For most of these respondents, the government’s decision to privatise was nothing but a strategy for private gains and public disasters. During the discussion which began with an opening prayer by a local representative in the network, it

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26 These respondents were survivors who also served as a representation of the internal division XYZ classes of employees. The aim was to understand the internal division that existed within the ZEA, how the leadership responded to these concerns and whether the decision to continue its negotiation with the government was the best policy response.
was clear following the questions and discussions between these local representatives that regardless of the internal divide at the network, most employees just needed reassurance from the ZEA leadership that the renegotiation strategy guaranteed job security. Other however agreed that irrespective of their interests (XYZ), contractual agreements and trust in the ZEA or the government, ‘job security’ and ‘more strike actions’ were the unifying factors for a good percentage of employees. There were, however, others who never considered the use of strike action as strategic, even though it seemed to have sustained the ZEA negotiation position.

While most of us disagreed with suggestions for strike actions and closed shops, we also understood that as union members, it was our duty to stand by our leaders at the national level irrespective of differences of opinion. As comrades, it was our responsibility to fight for employees right.

(Comrade, Odoh, local representative).

Given the lack of transparency from the government, most of us in our network did not support the idea of further negotiations with the government because of previous failed agreements in the sector. To this end, the idea that workers had to stand together for the union to achieve results was not working. We stood for a few years after the policy was announced and yet achieved nothing.

(Engineer Abdul-Kiti, Manager Exon Distribution).

Most employees agreed that the union, since the 1970s used force and achieved little or nothing. So, our opinion was for the workers to explore other measures in the sector. My plan at the time, which was not different from some people here, was to go with whoever won the debate. We had families looking up to us and therefore, needed to survive the process.

(Comrade Mohammed, Supervisor, Qwest Distribution).
Despite the clear internal divide which was evident from responses provided by these respondents during the diagram elicitation session, there was, however, a ‘silent’ consensus among employees that the union should have moved beyond its constant strike action approach towards a more strategic approach. What was not evident between these responses was the ‘how’ and the ‘extent’ to which this was communicated across to the ZEA representatives. Mainly because while some of the ZEA representatives believed that partnership with the government would have been the solution, others maintained that their stance for a more militancy approach such as strike actions and ‘sit down action’ (coming to work and doing no job) was the most effective approach to future relations with the government.

6.2.4 The Sector-Based Strategy

Following the internal divide within the ZEA internal communication framework and debates on the best possible approach, the ZEA organised a national level meeting in Abah network on March 2011, which attempted to resolve the internal divided within the network. The meeting according to a regional representative was more about ‘outlining the real concerns of employees in terms of corruption, unaccounted funds, mismanagement, mixed-matched investment plans and regional differences and then arriving at the best approach forward’ (Engineer Bala, regional representative, ZEA). The sector-based strategy, which was then agreed upon, emerged following the ZEA decision to unite and strengthen its presence at the policy and company levels. At this stage, ‘it was more about strengthening the ZEA internal and external ties such as the National Labour Association (national union), the Petroleum Union (workers who provide gas for generation) and consumer support groups’ (Comrade Odoh, chapter representatives).

Following the ZEA national meeting in Abah, the TFP organised a national meeting in April 2011, which had in attendance representatives from the TFP, ZEA and other government agencies. ‘During the meeting, the TFP representatives reiterated how its repositioning agenda was interpreted differently by the ZEA who saw it as a government stalling approach’ (Engineer Bala, regional representative, ZEA). The meeting records showed how Engineer Bala representative from the Ministry of Power a representative from the Ministry of Power, in what he termed ‘the reality of the power sector’, provided a direct link between the existing infrastructural under-development in the sector (despite the appropriation of 49.963 trillion naira between 1999 and 2003) to support the drive for private ownership. ‘The
installed distribution capacity at the time stood at 5906MW, with the maximum load below 2470MW in the Nigerian Electric Power Authority-NEPA, also mockingly known as ‘Never Expect Power Always. Hence, the change for increased efficiency and better working condition, which was only possible through the private sector.’ (Deputy Director, PEA). Their response was followed by debates and counter debates between the government representatives and the union during. Part of which was the National ZEA coordinator insistence on a comprehensive framework (symbiotic approach) that represented both the government and employees’ interests. More like a return to the traditional collective bargaining stratified framework along with the national\textsuperscript{27}, sector\textsuperscript{28} and sub-unit levels.

6.3 The Comprehensive Consultative Arrangement

6.3.1 The Negotiation Framework: National Level Dynamics

Following the April 2011 meeting between the ZEA and government agencies (TFP, EPC and PEA), the parties agreed on a detailed engagement framework, which occurred through the national, sector and unit levels. At the national level, the negotiation involved representatives from the PEA, EPC, TFP, ministeries (power and finance) and the ZEA. At this level, the parties explored, reviewed and introduced employment-related legislation that influenced workplace resolutions at the sector level. The representation of the complex negotiations at this level was described through a series of an interview session with ZEA representatives and those at the policy level. From the information obtained, it was clear that consultations at this level, allowed the parties to share information and develop employment-related strategies that influenced decisions at the sector level.

\textsuperscript{27} The representation at the national level involves representatives from the ZEA, Nigerian Labour Association, representative of the Federal government and the labour agencies. At this level, national decisions regarding wages, promotion, recruitment and entitlements in the public sector are agreed. The decisions here, forms the blueprint for subsequent decisions in sectors.

\textsuperscript{28} The sector level unlike the central level involves discussions that relates to the electricity sector employees across the 36 states of the federal. At this level, engagement process involves ZEA and NLA officials, management at the national level and the presidency. The members at this level often than not are involved in discussions within the sub-unit levels across the regions depending on the issues been discussed.
Figure 6.2: The Complex Centralised Negotiation Framework

- Executive-Federal, state and local governments
- The Legislature (House Committee on Power)

- Ministry of Labour
- Ministry of Power
- Agencies-TFP, PEA and EPIC
- Board of directors/Management team in the unbundled companies

Federated Union Congress- A representative of 43 affiliate unions and 37 state councils which includes Zex Union

Institutional Interferences:
- Political
- Economic
- Regional Differences
- Corruption

Government directives in line with established legislations on employment related issues such as wages, entitlements, and conditions of service, employment contracts, promotions and trade union

Employment Concerns:
- Wage Determination
- Job Security
- Casualization of work
- Training
- The Future of Work
- Severance Packages
- Pensions and Outstanding Entitlements

Internal factors

Source: Extracts from Interviews with ZEA and TFP representatives in (2015)
### Table 6.1: A Summary of Collective Bargaining Framework at the National Level

<table>
<thead>
<tr>
<th>Levels of Communication</th>
<th>Participants</th>
<th>Focus</th>
</tr>
</thead>
</table>
| **A** (Executive level, with the union) | -Executive-Federal, State and Local governments  
-Legislature: House Committee on Power  
-The ZEA | -Political Interest  
-Correlating budget limitations and employment concerns  
-Sustaining Regional representation through a quota system and federal character policy |
| **B** (Government agency levels) | - Representatives from the Ministries (Labour and Power)  
- Representatives from EPIC, TFP, PEA, PC, ZEA  
-Board of Directors and Management at the headquarters and regions | - Consultation and policy interpretation  
-Organisational Focus  
The complexity between regional, political, economic and employee interests |
| **C** (Ministry Level) | -Ministry of Power (Local offices) and  
-National Wage Commission | Coordinating all employment-related decisions in line with existing legislation |
| **D** (Union level- Interaction with other unions for common interests) | -Federated Union Congress  
-ZEA Union Representatives  
-Ministries-Labour and Power | Focus on central issues such as wage determination and pension |
| **E** (Central-Tripartite with A, B and C) | -Federated Union Congress  
-The ZEA Union  
-Executives and Legislature | Change of Employment Policies  
Legislative Reform |

**Source:** Extracts from the interview with ZEA representatives (2015)

The respondents referred to the above collective bargaining arrangement at the national level, as a representation of the new industrial relations framework that emerged following the introduction of the TFP in the sector. Unlike the sector level negotiation process, participants recognised the varied interests across the levels (ABCDE) and also explored a range of issues such as policy interpretation, political interests in the reform and employment-related decisions. The above framework was in response to the proposed sector-based strategy agreement reached during the April 2011 meeting, which proposed a comprehensive negotiation strategy that represented the government and employees interests. While disagreement remained between the parties, ‘the policy resolutions agreed at the national level influenced decisions at the sector-level. The idea was to eliminate the conflict of information that existing previously between government agencies’” (ZEA national coordinator).
6.3.2 The Negotiation Framework: Sector Level Dynamics

The resolve from the national level framework to renegotiate terms between the ZEA representatives (national and regional) and the TFP, began with a review of the Section 5 and sub-section 3(A) of the EPSRA of 2005. In direct response to Section 5 (2) and Section 10(1) of the Act empowered the employers to make decisions on employment with no reference to the union. According to the Act,

The employer shall be deemed to review and determined employment-related entitlements such as existing employment conditions such as the conditions of service terms, unionism, recruitment and retention, job security framework, entitlements and pension rights, level of ‘flexibility on terms not less favourable.

The implementation of this Act was supported by the High court ruling in Buja, where the Justice maintained that the government could take decisions with or without the unions. In the attempt to resolve these legislative gaps, the TFP and the EPC approved a multi-level negotiation and consultation framework which provided a comprehensive consultation part-way between the ZEA and government representatives at the sector and network levels. This is outlined below:
Figure 6.3: Collective Bargaining at the Sector and Chapter Level

**Sector Level Negotiations**

- Ministry of Power Management at the Headquarters
- TFP
- The ZEA Unions at the National Headquarters

**Chapter Level Negotiations**

- Board of Directors/Management team (Headquarters)
- Regional union Representatives
- Zonal union Representatives
- Local Chapter Representatives
- Local Business Units Representatives
- Regional Managers
- Zonal Managers
- Chapter Managers
- Units level Managers

**Source:** The respondent's representation of the negotiation framework within the sector (2015)
The above multi-level negotiations occurred through a centralised process that allowed representatives from the ministry of power, the management and the ZEA to renegotiate the collective interest of over 50,000 employees. ‘This involved a renegotiation of existing contract agreement in terms of their conditions of service, wages, promotion and accrued entitlements for these employees’ (Regional representative, ZEA). Part of the renegotiation of terms at this stage included the retention of the existing reassessment framework, which allowed employees to renegotiate their terms of employment every 3-5 year irrespective of the economic and political environment.

The main challenge with this framework occurred at the chapter level, where local managers were empowered to redefine and align the sector-based agreements. ‘Since nothing was set in stone and given the diversity between and within regions in terms of economic and political differences, the agreed terms at the sector level, were often restructured in line with regional peculiarities for fairness’ (Site Manager Exon distribution). This process, however, encouraged gaps within the legislation, because ‘negotiation at the lower levels involved many compromises on the part of the ZEA and local managers. Imperative because some level of compromise was needed to satisfy local unit managers political obligation in return for more membership and voice within their networks’ (The ZEA Negotiating Officer).

Therefore, unlike the government’s ‘sector-based partway’ and the TFP repositioning agenda, the ZEA understood the power of regional political interests, ethnicity, chapter prerogatives. Therefore, they used the information obtained at this level to eliminate the ‘ us versus them narrative’ among employees and local network managers.

At the chapter level, our discussion with the local managers and subordinates was not the political debate of privatisation but how to keep jobs in the sector. So, the government’s decision which allowed for the renegotiation at the chapter and subunit levels, was a success for the union, as we engaged and reassured workers who looked up to local representatives for advice.

(Mr Odoh, Eastern representative, ZEA).
What sustained most of us was not the negotiations at the national level but the internal reassurance, relationship and the acceptance of local managers for more consultations at the local levels. We understood the risk, and it was all about working as a unit and not as opposing forces.

(Comrade Johnson, Regional representative, ZEA).

At the chapter level, it was less about the government and more about employees irrespective of level or title. Some of these local managers were government-appointed managers who could not directly refute the claims to privatise. The consultation with ZEA helped them channel their concerns and reservation to their bosses at the headquarters.

(Manager and local representative, Exon distribution).

The success achieved at the chapter level negotiations was because local union representatives interacted with state-appointed, mid-level managers and employees who had similar interests, regarding the future of work. Their strategy was in line with Frost’s (2001) reconceptualisation of union responses, where local unions rather than oppose the process, engaged with local managers as a strategy to secure their presence in the sector. Moreover, unlike negotiations at the national or sector level, the negotiations at the chapter level aligned more with organisational, regional and personal considerations, other than the national interest. ‘It was about strengthening employee voice at the lower level despite other underlining changes in the overall sector’ (Comrade Dada, ZEA regional representative).
6.4 The Changing Employment Conditions

6.4.1 The Restructuring of the Internal Labour Framework

The negotiations between various government committees (EPC and TFP) and the ZEA, achieved a certain level of success until the government initiated the restructuring of the internal labour market with zero ZEA involvement in the year 2010. The process began with the Ministry of Power reclassification of the employment contracts into the X (permanent contract- only for existing contracts given the freeze on further employment) level, Y (those on fixed-term contracts with over 10 years in the sector) level and Z (for temporary and industrial workers). Although the process was in direct contrast to the TFP comprehensive consultation framework, it reechoed the reservations that led to the earlier internal divide within the ZEA.

The policy interpretation of this new employment framework presented it as the government’s initial step towards a strategic restructuring in the sector. In response to this change, a representative from the PEA described it as;

A replacement of the historical use of ‘years of experience’ criterion in the sector used for career progression, with a performance-based system. The aim was to reduce the high percentage of employees across the networks with minimal job responsibilities that did next to nothing and still got paid.

(Manager, Policy Unit, PEA).

The reclassification process which occurred with no reference to the ZEA altered the internal market arrangement of the sector that previously protected employees irrespective of their educational qualifications, skill development and job relevance within the sector. The traditional framework which was replaced is represented below:
Interviewer: How would employees summarise the term ‘job security’ in the sector prior to privatisation?

Comrade Oba (E): “During the government era, everybody was inside the house. We felt free because once one is inside, they are covered, whether they had a specific assignment or joint assignments, they are covered” (Laughter from everyone).

Mr Adamu (K): “Job security for us like my colleagues have said translates into retirement, clear salary, union membership and promotion. It was about serving our country and getting paid”

Interviewer: But the investors have promised these benefits and attached it to performance?

Mr Okoro: “Ha bu ihe edere na moto bayie (Igbo language-Translation: Leave what is written outside the car and just enter. The reality inside is not always what it seems outside). The promises are nothing compared to the job guarantee we had before the sale. Just forget what the employers may have projected”.

During this session, respondents interpreted job security in the sector prior to privatisation, as a one-way process which allowed employees to gain access into the company through the recruitment process with almost no exit except for retirement or other natural causes. The process of individuals entering the sector (which they represented as a house), all changed following the restructuring of the internal workplace arrangement by the Ministry of Power in 2010, which most of them summarised as regrettable. The regret for most of these respondents was that the union failed to effectively oppose the changes, hence the continued challenge in the sector. The expression on their faces as they discussed job security under state ownership, showed a group of employees who wished they could turn the clock back to the traditional workplace arrangement.
During a diagram elicitation session with some ZEA regional representatives at the headquarters in May 2015, they attempted to describe the above traditional framework and how it encouraged job retention, employee commitment and motivation and labour support for government policies. In their presentation through the diagram, they described how each employee had to go through the traditional employment framework, a four-phased progression plan; the Upgrade phase, Bar test, Trade test and Longevity phase. The unit manager noted that ‘the ‘upgrade phase’ ensured that every new employee received a guaranteed promotion after the first two years in the sector. After the upgrade test, these employees were expected to participate in the ‘Trade Test’ (for employees in the technical division) or ‘Bar Test’ (for employees in the administrative division) which assessed their knowledge of the sector and understanding of their job responsibilities. The success of the employee through these tests qualified them for the Longevity phase, which in this case, entailed an automatic promotion every 3-4 years’ (Comrade Oba, Unit manager, Exon distribution). In what they (respondents) described as a fair system that guaranteed job security, employees could be seen in the diagram entering the house (the sector) but with no exit strategy except for retirement or better job offers. Their view of job security, as explained in the diagram, which only had employees going into the sector with no exit plan was because most employees exited due to retirement or other job offers. This was primarily because of the modicum of job security the framework presented.

However, the Ministry of Power's policy framework replaced this traditional framework with what is considered to be a strategic framework which made emphasis on employee skills, education and job role as against ‘years of service’, as represented below:
Table 6.2: Job Re-classification in the NEDS during the Privatisation

<table>
<thead>
<tr>
<th>S/N</th>
<th>Qualification</th>
<th>Grade Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FSLC (Very Basic qualification)</td>
<td>JS5/1 – JS3/15</td>
</tr>
<tr>
<td>2</td>
<td>Senior Secondary Certificate</td>
<td>JS2/2 – JS1/15</td>
</tr>
<tr>
<td>3</td>
<td>National Diploma</td>
<td>SS4/1 – SS4/15</td>
</tr>
<tr>
<td>4</td>
<td>National Certificate in Education</td>
<td>SS3/1 – SS2/1</td>
</tr>
<tr>
<td>5</td>
<td>BSC/ Higher National Diploma</td>
<td>SS2/2 – SS2/15</td>
</tr>
<tr>
<td>6</td>
<td>Masters/Law</td>
<td>SS1/1 – SM1/10</td>
</tr>
<tr>
<td>7</td>
<td>Executive</td>
<td>EG3 – EG1</td>
</tr>
<tr>
<td>8</td>
<td>Contracts Workers (Casual and Industrial)</td>
<td>Limited Job Responsibilities</td>
</tr>
</tbody>
</table>

Source: Internal data on employee classification in the Distribution sector (NEDS 2010)

In direct response to this strategic framework, a manager in Exon distribution noted that ‘it contradicted the Labour Act of 1990 section 20(1), which promoted the principle of ‘last in, first out’ irrespective of the contractual agreement or job classification’ (Unit manager, Exon distribution). For most of these respondents, the sudden reference to educational qualifications and age was interpreted as unfair, an end to the idea of ‘more years, more job security’ in the sector and inconsiderate to employees with long years of service in the sector. For instance, Adamu, a local representative and linemen supervisor in the Kank distribution with over 23 years experience, noted that ‘based on the job classification and my educational qualification, I was only allowed to aspire for SS2/2 grade worker instead of SM1 despite years of experience and skill’ (Adamu, Linesman Supervisor, Kank). In another instance, a manager in Exon distribution described it as ‘an end to the workplace we once knew. My first day at work in June 1990 was the greatest opportunity to serve the country. With a high school certificate and no engineering experience, the government provided most of us the opportunity to start at the JS2 grade and progressed through the system and today; I am at the SM1 level, not because of qualification but persistence, experience and commitment to work. Therefore the replacement of experience with educational qualification or age was not fair’ (Engineer Okafor, Manager Exon).
The sector closed in on us, especially for those of us above 50 years of age, with industry-based knowledge and lower academic qualification. Going back to the university was not an option for me, and we had no idea how the ZEA would secure us

(Mr Okoro, Manager, Qwest distribution).

My 15 years of active service disappeared in a flash. Any company that wants to reduce cost would reduce their employment levels. Even though government representatives tried to reassure the union that nothing like that would happen, we all understood the unspoken word. The most painful part was, the new framework judged us not by our experience but academic qualification after years of dedication.

(Comrade Olushola, Regional representative).

The respondents also noted that the union outrightly rejected the classification process not just because of job security but the influence it had on employees wage. The challenge was such that regardless of an employee’s ‘years of experience’, another employee who had a Masters degree (SS1/1-SM1/10 level) and few years of experience, earned more than the one with more years of experience and a Senior Secondary Certificate (JS2/2-JS1/15). A change which ‘not only crashed most of us but left us with nothing’ (Mr Ogabzie, supervisor, Exon distribution). Mostly because ‘the proposed pay system was nothing to write home about. What sustained most of us was the extra entitlements we received aside from the main pay’ (Mr Asogwa, ZEA local representative).

Thirdly, was the embargo on permanent employment positions which replaced vacancies in permanent contract positions with more flexible working arrangements. Now, because local managers at the network level were allowed to conduct the recruitment exercise for casual positions as against the national recruitment process, the terms of service varied between networks. The narrative that emerged among the union following these changes was that of ‘we verse them, an indication that the TFP attempt, to rebuild trust and secure benefits for all employees in the sector, was all a waste of time’ (Engineer Odoh, Chapter representative).
Even at that, ‘the union was careful to avoid an outright end to the negotiation process to avoid employees losing out entirely. For one, we had casual workers with years of experience in the sector who just wanted the opportunity to become permanent, but here we are with the outright embargo on permanent positions and use of more contract workers’ (Comrade Isolo, ZEA representative).

Industrial relations at this point was very complicated, given that the ZEA were unable to effectively influence on-going employment changes at the national and sector level. At the chapter levels, the local union representatives documented a series of employee demotivation at work. ‘The new employment contract was the beginning of employee demotivation within the networks as most employees either deliberately refused to report promptly to their duties or engaged with other duties outside the sector for individual benefits’ (Linesmen supervisor, Exxon distribution). A typical example of the increasing demotivation tactics was pointed out during a session in Qwest distribution, where respondents noted how some employees spent office hours engaging in personal errands on work time. In one instance, a supervisor at the network described how some technical team subordinates resorted to private electric services to consumers for monetary gains. ‘It was a case of who could convince customers to pay them directly for electric connections or work’ (Unit Supervisor, Qwest). In another instance, a lines manager pointed out how a particular unit was asked to disconnect a customer’s supply because of unpaid bills. On getting there, the customer offered them money in exchange for more time to pay the bills, and they accepted’ (Engineer Odunze-Samson Distribution manager). The practice, according to another respondent ‘became prevalent because of the uncertainty at work and the need for an alternative source of funds’ (Engineer Eze, Distribution division).

The TFP response following several complaints from the ZEA came during the June 2011 meeting where representatives from both parties (government and union) agreed to develop a labour-based agreement that would resolve and guaranty employees job security, especially in the privatised sector. The aim was to rebuild employees confidence in the sector, restore integrity and trust for further negotiations.
6.5 The Labour Based Agreement

The debate for sustained employability between the TFP, PEA and ZEA, which continued in July 2011, involved discussions on strategic policy positions that would sustain employability in the privatised sector. The negotiations at this stage explored possible short-term and long-term targets that would resolve all labour concerns as stipulated in the ZEA 2010 position paper. The interpretation of this negotiation phase as described during elicitation session with ZEA representatives at the national level indicated a coordinated process that seemed strategic at first. The process that occurred is represented below.

Figure 6.5: Negotiation Framework for the Labour Based Agreement

Source: Diagram Elicitation by the ZEA national representatives (2015)

Interviewer: Why the LBA and at the time it was reached?

Comrade Babayandi (E): “It was the LBA or nothing at that point. The union could not let the agitations over the years amount to nothing. So, we negotiated the best agreement possible”.

Comrade Odoh (Q): We never believed that privatisation would become reality. Our initial reaction was that it was just another government policy until 2010. By then, it was too late to start any tangible process. We went along with the LBA with hope for better relationship with the new employers. But here we are today…. wondering… the way forward.

Interviewer: The conclusion reached following the discussions with the respondents, revealed a union that only wanted the best possible collective offer for its members despite the institutional weakness it encountered both within its internal structures and the external collective bargaining framework. What was evident was that these union representatives, hoped they approached its stance on privatisation differently.
During the discussions for a strategic framework, the respondents used the term NLC- (National Labour Committee) to describe the negotiation process which, according to them involved all government agencies (TFP, PEA and EPC) involved in the privatisation process. During the process, the parties (government and union) reviewed the 2010 position papers and agreed on short-term and long-term plans for the sector. The agreed short-term plans outlined labour conditions that would be resolved before the final privatisation stage. They included terms on overdue salary adjustment, outstanding entitlement pay-outs, the percentage of severance packages, and training programs. The negotiation on employment classification, job security and union involvement, as indicated in the transcript of this session, occurred more at the number ‘NLC’ level, which, according to the respondents involved the ZEA and PEA representatives. At this level, the negotiations explored issues such as job security, pension pay-outs, employee share framework, aimed to rebuild trust, eradicate allegations of political involvement in the sale process. Following these deliberations, ‘the government and ZEA reached a Labor Based Agreement (LBA) with specifics such as a 15% increase in salary, entitlement payments, 10% share for employees from the remaining 40% share of the government after the sale and six-month guaranteed employment’ (Comrade Babayandi, ZEA Assistant National Coordinator). Part of the agreement, as noted by Comrade Babayandi was the conversion clause for employees for casual and temporary contracts, promised permanent position before the transfer process to promote their future in the sector

Now, while the LBA may have been considered a success by the union at this stage, the ZEA failed to reflect on the fact that its terms and promises were based on the mere premise of short-term and long-term objectives. The agreement had no specifics on how these processes would survive the employment classification, which already posed a challenge to the job security of a significant percentage of employees. Another challenge within this agreement was the absence of legislation that would ensure the compliance of all parties, especially that of the new investors (who were not part of the agreement) in post-privatisation.
6.6 Conclusion

The negotiation and renegotiation that occurred between the government and the ZEA during the institution of the TFP often appeared to be a reactive rather than strategic process on both sides. Going back to the initial question in this chapter, how did the government’s approach to negotiation and renegotiation influence the union’s engagement in the sector? It was clear that direct response policy approach by the government to challenges in the sector without a long-term plan also influenced the union’s response. First was the Jonathan/Sambo administration roadmap agenda in 2010, which introduced the TFP, as an agency that would reintroduce industrial relations in the privatisation process. The TFP policy agenda was initiated as a strategy that would rebuild employee’s confidence in the government’s commitment to restore integrity and transparency in the future consultation with labour. Even though the process required labour and state representatives to submit position papers on what they considered were the labour issues and the government understanding of those issues, there was still an issue of trust and the transparency of the TFP in the process. To curb these challenges, the TFP attempted to initiate a policy re-sensitisation agenda, which failed to achieve success mainly because of the mixed responses given the policy divide between the government representatives (PEA, EPC, TFP and Ministry of Power).

Moreover, while the government considered the introduction of the TFP as strategic, the union questioned the government’s ‘intent’ to introduce collective bargaining at this stage of the process. The issue on intent also emerged given that the policy approach was instigated by the Chairman on Privatisation who in his memo to the government warned of the need to resolve all labour challenges to avoid it slowing down the process. Also, the different policy positions between the TFP and other government agencies, raised questions on whether the government’s change of policy towards industrial relations, was initiated to achieve its underlining political objective to privatise or a strategy to protect employee voice during and post the process?

The initial ZEA response to these conflicts was somewhat reactive as they, instead of further consultation, initiated strike actions in 2010 and media campaigns, which challenged the government’s policy decisions. The union’s reactive strike action in May 2010, was in response to the Ministry of Power’ decision to reintroduce the no-work, no-pay clause. The success of which was somewhat limited because while the union succeeded in closing the sector with significant economic implication for the country, their strength at the national
level plummeted. The outcome was a divided union representation which led to three classes of employees, X (those who believed the state) employees, Y (those who believed the union narrative) employees and Z (those who supported any convincing argument) employees. This internal division within the network posed a more significant challenge for the ZEA renegotiation strategy which failed to consider the historical industrial relations in the sector and the importance of its internal and external resources and the need for a more strategic approach to negotiations. What occurred was a policy strategy which relied more on the ‘how’ and ‘when’ to engage without further eroding the dwindling union strength at the negotiation stage. This political undertone on the part of the ZEA suggested their willingness to resume negotiations, and effectively defend employees’ rights at the national, sector and chapter level, without any consideration to the nation’s political economy.

The political response and organisational changes that emerged suggested that despite the government’s proposition for more negotiations with the union, it was more focused on achieving its policy on privatisation. This assertion was reached following the employment changes that emerged outside the centralised framework agreed following the sector-based strategy agreement in 2011. The change in the internal labour market arrangement, which led to a freeze in permanent positions and use of more contracting, which was reached with no collective bargaining indicated the underlying political policy on privatisation.

However, the union’s response to the process was weakened by its previous reactive negotiation stance and internal divide which restricted its options at the bargaining phase. Rather than develop a comprehensive response to the reform, its response continued along with the traditional reactive approach through strike actions and campaigns. Such that even with its one-day strike action in 2011 and the subsequent government response through the LBA, it was indicative that the ZEA was bargaining from a disadvantaged position. Finally, while the implementation of the 2011 LBA will be discussed in the next chapter, the industrial relations negotiations between the ZEA and government agencies from 2001 and 2011 could best be described as an engagement in a circular motion with no defined plan or purpose despite the 2011 LBA. The government understood that the ZEA engaged in a reactive response to organisational changes and hence, introduced reactive policies that often seemed to favour the union position. What the union, however, failed to recognise was the need for a comprehensive approach at the initial stage of the bargaining process which recognised the political, legislative, economic and socio-cultural interference together with its vast resources. Instead what happened was a creative measure which not only weakened their
industrial relations strategy down the process but resulted in an LBA that not only conflicted with existing legislation but also had so many gaps that made its implementation its challenge.
Chapter 7

The Implementation of the Labour Based Agreement

7.0 Introduction

The collective bargaining framework through which the government and the ZEA negotiated and agreed on the Labour-Based Agreement (LBA)\(^29\) in 2011, involved policy gaps that were not initially apparent, especially to the union during the bargaining process. While the union interpreted the agreement as an end to its concerns on privatisation, what they failed to recognise was the absence of a legislative clause that would protect employee ‘voice’ in the case of a contract breach by either party (government, union and the employer). Secondly, the agreement did not include a protective clause to sustain its implementation in post-privatisation, given that the new investors were not part of this arrangement. The absence of the new investors at the negotiation of the LBA also raised questions on possible renegotiations between the parties in the case of institutional changes or conflict with the investor's organisational objectives.

The LBA permitted the transfer of 60% of the shares for each company in the Nigerian Electricity Distribution Sector (NEDS) to the private sector, while the government retained 40% of the shares, without any opposition from the union. A change which promised an end to the strike action that delayed the finalisation of the privatisation process. Although the agreement was reached, it made no provision on how to organise and implement the agreed terms within the 60/40% mixed-management structure that emerged in the sector. Instead, it relied on the premise that the involved parties would honour the agreement irrespective of possible changes within the business environment.

The chapter explores how the collective bargaining framework through which the government and the union reached the LBA influenced the private sector’s interpretation and implementation of this agreement once they (investors) took over the companies in 2013. At the company level (Qwest, Kank and Exxon), the study considered how the individual company’s underlining organisational interests, cost-reduction measures and regional

\(^29\) The labour-based agreement remains the foundation of industrial relations in the electricity sector during the final phase of the reform and in the privatised sector. Unlike previous agreement which focused on labour involvement in the drive to reform the sector, this agreement signed before the final phase of the reform, with detailed agreement on key employment related concerns. They include agreements on entitlement pay-outs, severance packages, training (NAPTIN\(^29\) and politically determined), job security, career progression and pensions.
differences (which are located across three regions—Middle, South and Northern Regions) influenced their implementation of LBA. This multi-level analysis is particularly crucial, given instances of political instability (due to the election process), economic challenges (weak ‘naira’ exchange rate, funding challenges within the private sector) and data disparity (the difference between data provided during the bidding phase and the actual reality in the privatised sector) that emerged post-2013. These changes led to cost-reduction strategies such as redundancy measures and segmented condition of service between the survivors and recruits. The chapter draws on evidence from the in-depth interviews and diagram elicitation with employees, the ZEA national and local representatives in three cases (Exon, Qwest and Kank distribution), to explain how the peculiarity of the nation’s political economy and the firm-level characteristics influenced the union’s response to the implementation of the LBA in the privatised NEDS.

The chapter begins by examining the pre-transition stage, the finalisation of the bidding process and the union’s campaign for the implementation of the short-term conditions within the LBA before the companies are handed over. The debate, especially by government representatives, regressed to the initial political premise of ‘success’ through privatisation, which ignored the empirical evidence on the adverse outcomes experienced in previous privatisation (Bangura 2000; Jamasb et al. 2006; Kikeri and Nellis 2001) and the agreed timescales for the LBA. Therefore, the transfer of an asset in 2013 introduced segmented employment framework, zero capital-labour relations and restrictive top-down communication/consultation approach, which relegated the traditional collective bargaining outlined in Chapter 6. Even though Exon and Qwest distributions introduced an internal but restrictive top-down communication framework, Kank adopted a hybrid of the restrictive and involved engagement process. The similarity between the cases was the presence of an unbalanced power relationship, instances of divided contractual terms which favoured recruits over the survivors. These internal divisions which directly contrasted the LBA terms encouraged zero agitations from employees, redundancy, remuneration differentiation, contractual misnomer and the relegation of survivors and local managers in the engagement process.

At this stage, the employers’ debate which was reinstated during the handover process, ignored the empirical evidence on the adverse outcomes experienced in previous privatisation (Bangura 2000; Jamasb et al. 2006; Kikeri and Nellis 2001), the complexity of the firm-level framework (60/40%) and regulatory gaps. The implication of this policy approach was the
segmentation of employment of the collective bargaining process within the sector. In Exxon and Qwest distribution companies, the employers introduced an internal but restrictive top-down communication/consultation approach, which relegated the traditional collective bargaining at the chapter levels. Their approach contrasted the more comprehensive strategy by Kank distribution company, which involved a hybrid of the restrictive and involved engagement process. The similarity between the cases was the presence of an unbalanced power relationship, instances of divided contractual terms which favoured recruits over the survivors. These internal divisions which occurred outside the agreed LBA encouraged zero agitations from employees, redundancy, remuneration differentiation, contractual misnomer and the relegation of survivors and local managers in the engagement process. Hence this question, how did the implementation of the LBA vary between companies and why?. To what extent did the LBA protect employee voice, or was it just a policy strategy by the government to achieve its political objective to privatise and why? To answer these questions, the chapter explores the ZEA renegotiation and survival strategy, which attempted to redefine collective bargaining because of the changing nature of work in privatised companies. Even with the union’s attempt to a strategic approach, the existing regulatory framework together with its retention of the two-phase (militancy and partnership) approach to negotiation, posed a challenge to its survival in the sector. The chapter concludes that privatisation and the industrial relations implication in the NEDS was a combination of the political objective to privatise and the ZEA none-strategic approach to bargaining which failed to adequately integrate its internal resources, the firm-level characteristics of the new investors and the complexity within the political economy.

7.1 The Pre-Transition Phase

7.1.1 The ZEA Short-Term Debate: The Varied Interpretation

Following the macro-level agreement, which led to the LBA in mid-2011, the government commissioned the final stages of the bidding process for prospective investors. While this process was on-going, the union through its formal communique dated April 5, 2012, to the Task Force on Power (TFP), Ministry of Power and the Public Enterprise Authority (PEA), proposed for the immediate implementation of the agreed short-term conditions of the LBA by the government. The communication was described as timely by the ZEA national coordinator who reiterated that ‘the communique was issued out on time to ensure that all the
short-term conditions were met to avoid any pushbacks from the union or strike actions’ (ZEA national coordinator).

Whereas most union representatives at the headquarters also supported the coordinator’s position on the communique, their focus on short-term conditions at this stage of the process, was rather simplistic and restrictive as they failed to consider a comprehensive strategy for the implementation of the entire LBA’s short-term and long-term conditions as outlined below;

Figure 7.1: The Labour Based Agreement in the NEDS

The Labour Based Agreement in the Distribution Sector

**Pay Structure: (Pre)**
- Salary Increment-50%
- Merger of Incentives
- Internal monetary motivation framework

**Pay-outs: (Pre)**
- Full pension
- Total entitlements
- Outstanding allowances

**Contractual Agreement: (Post)**
- Zero Contracting
- Six months fixed Contracts
- 10% Share for employees

**Skill Development: (Pre)**
- Approved trainings through NAPPTIN
- Individual motivated development

**Career Progression/Job Security: (Post)**
- Incremental Promotion every 3years
- Alternative Employment
- Conversion of academic trainings to job responsibility
- Performance and classroom assessments

**Operational Focus: (Post)**
- Human Service Oriented
- Safety Concerns
- Availability of Resource
- Reduced Stress Levels

**Engagement: (Pre and Post)**
- Sustained ZEA Involvement
- Direct communication with employees
- The ZEA membership and involvement

**Source:** Interview with ZEA representative at the national headquarters (May 2015)

The above LBA represented the agreement reached between the government and the union, which was further sub-divided into short-term (pre) and long-term (post) goals for easy implementation. The challenge, however, was the fact that the LBA failed to provide a definite timeframe or
implementation plan on how the government intended to achieve the above-outlined conditions. The short-term conditions only outlined agreed terms for employee pay-outs, entitlements, pensions and training which the union believed would be resolved before the transfer of assets to the private sector. These conditions differed from the long-term objectives, which focused mainly on issues that would arise post-privatisation such as job security, employee share ownership and industrial relations. Given the importance of these conditions, the union, according to a regional union representative, believed that ‘the government must honour the contracted agreement in the LBA. Based on this understanding, the union kept its side of the agreement and therefore, expected the government to do the same’ (Comrade Ossai, ZEA regional representative).

Meanwhile, most government representatives at the macro level, interpreted the LBA, its design and objective in the sector, as a political attempt that protected employee’s interest. According to a representative in the PEA, the LBA was ‘a coordinated effort by the state to advance human capital development, provide six months fixed contract for all employees, reassign rather than layoff and sustain labour involvement. Even with the determination to secure stakeholder’s trust and confidence in the process, it was at minimum cost to the prospective investors’ (Dr Abdulhassan Gaka, Director, PEA Public Affairs). To achieve this, ‘the government focused on the pay-out agreed for employees, which left nothing at the end of the day because the funds raised from the sale got channelled into the severance process’ (Dr Babalola, Director PEA).

The above interpretation by these government representatives was refuted by a union representative who maintained that the LBA was ‘an agreement that left the union with no option. The union accepted the terms of the LBA to avoid employees losing out completely from the privatisation process’ (Comrade Asogwa, Regional representative). Though the comrade’s interpretation may be plausible, the union’s communique to the government at this stage of the privatisation process was far from strategic. Because rather than adopt a comprehensive approach to the policy change, given its weak bargaining position at this stage of the process, the union called for strike action in May of 2012. While the strike action may have seemed like a strategic approach to the ZEA leadership, what they failed to consider was its vulnerable position due to the internal divisions among its members, as discussed in Chapter 6 and the underlining political interest to privatise which was not restricted by previous strike actions. In disregard of these issues together with the authoritarian nature of the government, a representative defended the call for strike action as necessary. He stated that ‘the call for strike action in May 2012 was the only strategy that could have gotten the government to pay workers every penny due without delay. The LBA was a ray of hope for
workers who had basic high school certificate because it promised job security, pension pay-outs and alternative job offers’ (Mr Ngoli, ZEA Regional representative).

There was however, an internal divided between the union leadership and employee’s interpretation of the LBA and the drive for its short-term implementation. Unlike the union’s leadership, most respondents (employees) maintained that the characterisation of the LBA as a joint effort was exaggerated given the unbalanced power relationship between the government and the union within the collective bargaining framework. For these respondents, the practicability of the LBA was already in question before the 2012 strike action. In one instance, a respondent argued that ‘a salesperson cannot sell a car to someone and then turn around and dictate how it would be managed. What exactly did the ZEA leadership think would happen after the agreement?... Even if the government, with its 40% defended us, no one considered 60%. We at the network level considered these issues and voted against the LBA. We suggested full implementation and guaranteed job offers before it was signed, but our voices were not strong enough, so it got overruled’ (Comrade Tayoba, ZEA Distribution Supervisor Exon). ‘Our concern was proved following the absence of any detailed policy response from the government after the May 2012 strike action proved our concerns that the government would not honour its terms of the process. Even before that, the inconsistency of the government in previous agreements was enough for the ZEA to have rejected the LBA. Instead, the ZEA leadership believed that strike was the answer. We organised the strike at the local level but with caution to avoid political retaliation’ (Comrade Mamah, ZEA local representative).

The challenge within the LBA was not only because of the union’s narrowed debate, which focused on the implementation of its short-term conditions but the entire bargaining process. Contrarily to the LBA been described as a strategic framework, the former Chairman of the Regulatory Commission, Dr Osita Ogagimba, pointed out the regulatory gaps within the agreement. In his speech at the national regulatory conference in July 2012, he attributed the regulatory gaps within the LBA, to an underlining issue with the entire privatisation process. He noted that;

The outright sale of the distribution companies and the signed agreement would not transform the sector unless built upon the framework for the public good. What these processes failed to recognise was the structural issues, political and individual interests that challenged whether the entire privatisation model was sustainable.
Such that the simple interpretation of this process as outsourcing the public sector to the private sector was unsustainable. Moreover, this privatisation ideology was what happened in the sector.

(Dr Osita Ogagimba 2012)

The Chairman, Dr Osita further stated that the fact that the underlying political interests relied on the simple notion of public versus private sector, posed a challenge to both the privatisation process and the implementation of the LBA. This was evident following the inability of the government and the ZEA, to recognise the institutional complexities that existed within the political economy in which the sector is embedded into and how that would influence both parties interpretation of the ‘how’ and ‘when’ to initiate the agreed LBA terms.

7.1.2 The Sector-Wide Shockwave

While debates on the implementation of the LBA was on-going, the government in January 2013, announced plans to transfer the ownership certificates and legal documents of the unbundled distribution companies to the successful investors between September and November 2013. The announcement triggered a sector-wide shockwave at the micro level because the government was yet to implement the agreed short-term conditions fully. In its response to this policy decision, the ZEA in April 2013 called for the complete closure of the networks, unless the government fulfilled the short-term agreements before the September 2013 deadline. Although the union believed that strike action remained its main negotiation tactics, such a confrontational approach did not consider its possible effectiveness given its declined bargaining power due to the internal division within its structure which was apparent at this stage of the process. Unlike the historic strike actions with massive participation across the networks, the April 2013 strike action received mixed-reactions at the network levels, with most employees excluding themselves from the process due to the uncertainty around the LBA. For instance, a union representative in Exon distribution stated that:

The call for strike action in our network was intense and chaotic as workers screamed at local representatives because of their inability to provide transparent information regarding job security in the sector. At this stage, most workers, especially in my division, saw the LBA as a
stagnate promise with no future. So, the call for strike action was a welcomed development because it allowed us to fight for our rights.

(Manager, Exon distribution, ZEA local representative).

In Kank distribution, most employees resisted the strike actions and challenged its viability.

The communication by the national leadership to prepare for the strike was not acceptable to most workers in the network. The argument was that for a country like Nigeria with a high unemployment rate and so many graduates, anyone could be replaced. So, for that, most workers withdrew from any protests in our network to avoid the risk of job loss.

(Linemen’s Manager, Kank distribution).

In Qwest distribution, a report on the April 2013 unit meeting in Ngwa network described the chaotic approach in which employees responded to the call for more strike actions. Most employees blamed the union for going ‘soft’ on the government during the LBA negotiations. One respondent noted that;

At the initial stage, we urged the union representatives to bypass the agreement and fight for more, but no one listened. The only hope was the promised payout, which at the time was not even feasible. So, imagine the shock once we received the news of transfer and all the union could suggest was strike actions. Where did that get us in the past?

(Distribution Division, Obodo Network).

The call for strike action by the union was received with caution. After 30 years, it was apparent that ‘trust’ and politicians are far apart. At this stage, it was not about the government or union leaders, but about who delivered at the end of the day. The decision to engage or not to was essential for most of us who needed a future for our families beyond 2013.

(Network supervisor, Qwest distribution).
The above responses by the ZEA local representatives in the three distribution companies revealed an internal divide and distrust within the ZEA internal structure. Much of the divide between the union representatives and employees was their ideological differences on how to secure the future of work in the sector. While the union insisted on its short-term agenda through strike actions, most employees characterised the approach as less comprehensive and incompatible with the institutional framework (Katz et al. 2003; Pulignano and Stewart 2013) within the country. This ideological gap between the union and employees became more evident during the strike in April 2013, which was far from success as, employees reiterated their concern for job security over the union’s onesided response to short-term objectives such as payouts. One respondent's conclusion, which effectively summarised the situation noted that;

We initially believed in the LBA, until the government announcement. At that point, it was more about our future than circles through strike actions. Since the government was going to sell, most of us agreed that our job was far more important than the immediate payout. After working 15years in this country, most of us concluded that we could no longer trust politicians or even union leaders with our interests’

(Mr Arinze, Distribution supervisor, Qwest distribution).

7.1.3  The Handover Process

The privatisation debate evolved after the government amid tight security in the Aso Villa (the presidential office) irrespective of the union’s opposition to the transfer process which was weakened by its (union) diminished bargaining position, transferred the certificates and legal documents of the unbundled companies to the successful investors in September 2013. The process brought to an end the 14year effort to liberalise the NEDS. ‘In his speech during the transfer ceremony in Aso Villa, the President, Goodluck Jonathan\(^30\) described the handover process as the initial step to an efficient electric sector. The aim is to reduce business cost by 40 %, reduce unemployment and add 3% to the GDP, as outlined in the 5-

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\(^30\) In his speech, the president maintained that ‘the policy agenda was for the private sector to chart a new course and bring about more efficient and cost-effective power supply, engender private sector investment, improve infrastructure, and create employment for the country
year performance agreement and the ‘Request for Proposal’ (RFP) \(^{31}\) presented during the bidding phase of the reform’ (Vanguard 2013).

The handover was followed by the final transfer of the physical assets of the eleven distribution companies on the 1\(^{st}\) of November 2013. Even though the transfer process signified a critical transition in the sector, the process was more ceremonial than strategic. In Kank distribution\(^{32}\) for instance, ‘during the handover of Kank distribution to the Chairman of Kank distribution, the Minister of Power took the opportunity to emphasise the RFP policy objective, for a 5year technical performance plan that would reverse the inefficiency, bad management, corruption and obsolete equipment within its distribution range (four states)’ (Director of communication, PEA).

More reference to the financial and technical capacity of the investors and the government’s socio-economic transformation as stipulated in the RFP plan was reiterated during the handover process of Qwest distribution\(^{33}\) and Exon distribution\(^{34}\), but with no direct reference to the LBA. In Exon distribution, for instance, the employer during the handover reiterated its agenda for network expansion and improved productivity, but with no defined strategy for job security. ‘The reference to workers during the process was just a general comment on its proposed investments for training, but with no details on the possible implementation of the LBA’ (Manager Exon distribution, ZEA local representative). In summary, the entire process

\(^{31}\) The state made available the RFP to consortia (“Bidders”), which have been pre-qualified to bid for the Successor Distribution Companies, have paid the bid fee for the company or companies, and have signed the Confidentiality Agreement. Each Bidder accepted full responsibility for conducting an independent analysis of the feasibility of the project and for gathering and presenting all necessary information. Each Bidder assumes all risks associated with the project and no adjustments will be made based on the Bidder's interpretation of the information provided. The resulting sale and purchase agreement(s) from this procurement process ensured that the FGN’s divestiture strategies, were fully developed and implemented by December 2012.

\(^{32}\) Kank distribution established in 2012 and a consortium of an indigenous and international company with 50% share for each partner, covered sub-stations in four states in the northern region. The 60% share involved a payment of US$164 million, out of which 25% (US$41 million) was paid within 15 days of signing the Agreement, with the balance of 75% (US$123 million), paid after six months.

\(^{33}\) The 60% equity share is also a consortium of one indigenous company and two multinational companies that serve as technical partners took over distribution in five states in a region.

\(^{34}\) Exon distribution is an indigenous electricity Company, incorporated in Nigeria to carry out the business of electricity distribution and retail sale in the regions of four States. Its business includes the planning, development, distribution, delivery of electricity and electricity management services.
was a ceremony where the employer exchanged pleasantries and made big promises with no detailed outline of how its agenda would impact workers in the company’ (Mrs Bankola, Distribution supervisor, Exon).

7.2 Restructuring the Participatory Framework

7.2.1 The Segmented Communication Framework

After the handover of the distribution companies, the ZEA organised a strategy meeting in April 2014, to discuss its approach within the decentralised sector and the future of the LBA negotiations with the employers. The meeting records showed that union representatives discussed the future of the LBA, reports of segmented communication frameworks by employers in Qwest, Exon and Kank distributions and the future of consultations in the sector. Part of the concern raised at this point was ‘the legislative backing made possible by the Electric Power Sector Act, which despite the LBA still permitted the employers to introduce new employment-related decisions with or without the ZEA’ (ZEA National Coordinator).

The report by local representatives from Qwest distribution during the strategy meeting pointed to an internal ‘top-down’ communication framework which replaced the traditional tripartite negotiations (the government, management and ZEA). The top-down communication framework that emerged in the distribution relegated the traditional negotiation framework that involved local union representatives along with the three consultation levels (regional chapter and unit), that allowed for a centralised decision on terms of service terms for all employees. Instead what occurred was a two-way internal structure classified into the A\(^{35}\) (direct communication with employees) level and the B (external engagement with the government) level, which emphasised shareholder’s expectation and zero union involvement.

During the interview session with respondents, most of them stated that this two-way communication framework was not necessarily a strategy that improved commitment, but one instituted to achieve the company’s core values such as integrity, customer service, performance and efficiency mainly because the framework replaced consultation with communication. The new process according to a respondent ‘involved information sharing

\(^{35}\) The direct communication at the level A along the district and area levels, involved more communication and feedback session as against consultations. Here, employee representatives across the networks, interpreted the engagement process as an opportunity to listen and provide feedback to subordinates at the unit levels.
that cascaded down policy communication from senior to lower-level network managers as against these network managers being involved in the process’ (Dr Oliver, Qwest distribution). For instance, the level ‘A’ communication involved a bi-monthly meeting between senior managers and lower-level ‘district’ and ‘area’ managers at the network and unit levels. ‘The communication approach given the fear in the sector was such that lower-level managers only received instructions and communicated it to subordinates within their networks, as against being involved in the process’ (Dr Oliver, Qwest distribution). ‘The restrictive communication framework not only excluded possible negotiations with the union but also encouraged a one-sided approach to communication in the company’s bid to maintain a centralised and coordinated management framework at the early stages’ (Engineer Mamah, ZEA representative). Hence, the absence of a rigorous approach to communication, which ‘unlike the centralised strategic framework which accommodated employees’ concerns, contributions and recommendations, mainly involved a feedback session’ (Engineer Ndubueze, Unit manager).

Privatisation and the LBA initially promised the payment of outstanding entitlements, zero uncertainty at work and union involvement, until the outright transfer despite outstanding short-term objectives. So, for employees in Qwest distribution, they expected a communication process that would resolve the growing distrust and uncertainty among workers that emerged with the immediate handover process. Instead, the employer introduced a segmented communication framework, which promoted the company’s core values and shareholders expectation as the strategy for increased revenue collection and customer service. The communication framework that emerged was more bureaucratic than strategic, as it restricted operational and management decision to the senior management team. Such that lower-level managers could not implement changes without the directive of the senior management team. In one instance, a unit supervisor described the process as ‘nothing but a framework full of surprises which made coordination impossible. Due to the top-down approach management took decisions on conditions of service such as redundancies and recruitment without inputs from local level managers and the union, which made motivation and planning almost impossible’(Mr Okaka, Sub-network Supervisor). ‘In many instances, we waited for direct instructions from the region or headquarters for any major operational changes. The situation is so severe that in some instances, we check our email every hour in case of any operational changes or decision before the close of work by 5:00 pm each day’ (Engineer Mammah, Network supervisor and local representative). In another instance, ‘subordinates received transfer letters to a new network with no prior briefing from the
senior-level managers. So, imagine the questions that arose from those affected, and I had no response’ (Manager Ngwa Network-Qwest).

Similarily, in Exon distribution, the employer introduced its ‘coordinated approach’ to communication, which involved a feedback session where lower-level managers relied on recommendations from top-level managers. Just like the Qwest two-way process, the coordinated approach in Exon ensured that the operational decision at the headquarters was generalised across its networks (located in four states). A more detailed insight into the coordinated communication framework in Exon was provided during a diagram elicitation session with some local union representatives and employees at its Minika office:

Figure 7.2: The Coordinated Approach in Exon Distribution

[Image of a diagram with a hand pointing upwards and text: Employee suggestion is not in any way requested.]

Interviewer: What is going on with the hand and why is it only pointing upwards?

Engineer Sonara (S): “It’s because we currently have a system where workers take orders from above and that is all. As a unit-level manager, I cannot contradict any decisions taken by management above even when it’s not convenient for my local unit. Even when its policy……………..hmmmmmm……. you must carry it out whether you like it or not”.

Mr Lucky: (R): “Most of us believe that the coordinated communication process, which is not alien in the private sector…….. Is for better coordination of affairs across the local units and networks and not malice”.

It was obvious that the new communication framework in the sector allowed for one-way process for policy decisions, which side-lined unit leaders at lower level during the decisions process. The decisions reached from above were absolute. The varied interpretation of this communication framework was evident during these discussions as respondents argued whether the communication framework was designed to restrict local managers discretion on issues or if it ensured better coordination. A good example is the above response from Mr Lucky and Engineer Sonara who represented the varied interpretation of the ‘hand’ (the communication framework). The respondents however, agreed that the senior management team determined how policy processes and implementation were undertaken with minimal input from local managers or union representatives. A shift from the traditional engagement framework which according to one representative ‘encouraged a relationship where workers needs were taken into consideration after due consultations’ (Engineer Eze, Marketing Division).
The above ‘coordinated approach’ to employee engagement and communication in Exon distribution, represented a total exclusion of the ZEA representatives and local district level managers in the policy process. The narrative by these respondents which they phrased as ‘My Oga at the top’ was a representation of the communication process and the context of the communication that occurred between the senior-level managers (mostly newly employed) at the headquarters and district level managers (survivors of the reform). Unlike the traditional consultation channels (sector, zeal and chapter) which gave local managers certain lieu way in their decision-making process, this coordinated process promoted a centralised and standardised operational decision across the networks. While this process restructured the public sector management ethos and aided coordination, it failed to recognise the existing ideology, especially among the survivors who preferred an inclusive consultation process rather than this restricted framework. One of the respondents described the coordinated framework as waking up to realise that someone had taken over your house of over 15 years and reduced you to a tenant with no rights over household decisions’ (Engineer Eze, Marketing Division).

Other respondents stated that employees could not oppose the coordinated approach because of several factors.

When the senior managers introduced their approach to communication, we tried to explain to them that employees across the networks operated under different cultural and regional peculiarities. Therefore, while a coordinated process was commendable, local managers should be involved at the policy stage because they had to adapt these policies to local conditions. Once the suggestions were rejected, we had no choice than to settle in. The senior managers attend meetings and communicate the decision down to us at the unit level.

(Engineer Umaru, Unit manager, Exon).
The entrance of the new owners brought to an end everything consultation in the company. The new process ignored the wisdom of those who were here before they came. All we do is attend meetings, listen, receive guidelines and cascade down to the subordinates.

(HR district manager, Exon).

As managers in a newly privatised company and a country with a weak judiciary, high unemployment and labour institutions, we stayed and hoped for the best. Alternatively, do you have a job for me to take over? Laughs. We, the employees, have all to loose despite promises of better days ahead.

(Mr Etuka, Divisional Supervisor)

Contrary to the segmented and restricted communication approach in Exon and Qwest distribution, the framework in Kank assumed a mixed-approach (involvement and restrictive) framework, but without the involvement of the ZEA. Its ‘hierarchical’ communication framework between senior and lower-level managers at the chapter and zonal levels, respectively, allowed for more consultations and feedback session, especially from the network managers. ‘The communication process aligned with the company’s drive for improved performance cost reduction and improved working conditions. The framework was based on the premise that there was a direct correlation between an inclusive engagement framework in the sector and employee motivation’ (Mrs Obasiya, HR Kank distribution).

7.2.1.1 The Survivors and New Recruits: The Organisational Divide

The interpretation of the communication framework, its influence on management decision and the impact on employee commitment resulted in an internal divide between the recruits and survivors in the sector. For some of the respondents (survivors) in Exon and Qwest distribution, they interpreted the top-down communication process as subtle discrimination of lower-level managers and ploy that relegated the input of survivors who were mostly at this level. In what they defined as an unfair management practice, they (survivors) maintained that the restructured internal labour market which introduced new ‘conditions of service’
terms without the involvement of the ZEA was only possible because of segmented management practices. Although its impact on employees differed between and within the companies, it, however, created a division between the survivors of the reform and the recruits within the networks in terms of their job responsibility, job classification and career progression.

The interpretation of this internal divide by respondents (survivors and recruits) in Kank distribution differed in terms of its context, how it impacted the employee and their idea of job security. Even for a distribution company where employees lauded its segmented communication framework as inclusive, most survivors described the employer's Strategic Realignment Model (SRM) as unfair to most survivors. This was because the model replaced the traditional ‘years of service’ and regional representation as to the criteria for career progression with skills, age and educational qualifications. The respondents during a diagram elicitation session in Buja network-Kank, expressed similar concerns when they were asked to define what they considered to be the main challenges in the SRM.
During the diagram elicitation session which had some survivors (employees) and some recruits in Buja network (Kank distribution) in attendance, their take on the above interpretation of the realignment model differed significantly. The divide was such that while

**Source:** Diagram elicitation session with survivors and recruits in Kank (2015)

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**Figure 7.3:** The above diagram which represents the Survivors (S) and Recruits (R) interpretation of the Kank distribution Strategic Realignment Model (SRM) for communication, summarised the internal divide between the survivors and recruits in their interpretation of the SRM. During the session which took place in Buja network office on the 12/06/2015 and had in attendance S (eight employees) and R (four employees), they disagreed so much on what constituted the SRM, its effectiveness and possible victimisation of survivors. After an intense session, they finally agreed on the above diagram as their representation of the SRM.

Interviewer: What does this diagram represent because its different from other interpretations?

Mr Esomogu (R): “Because we could not agree on the effectiveness of the new communication framework and how it affects us versus the previous civil service workers, we agreed to instead outline what everyone agrees should constitute a good working environment”.

Miss Ariwa (S): “Our focus on key issues such as job security, union involvement, trainings and so on here, is nothing but a message to management of what our concerns are. We have and continues to seek avenues especially as workers who were here before privatisation, to communicate our displeasure with the new system”.

The discussants rather than deliberate on the communication framework, sent more time arguing on the key facts around the SRM. The debate and counter debates between the S and R revealed a clear disparity between their interpretation of the implementation of the six factors outlined in the diagram in Kank distribution.

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the recruits and some managers (survivors) maintained that the process was introduced to encourage performance in the sector, some survivors interpreted it as discriminatory against most survivors due to its requirements for educational qualification, age and advanced skill development. One respondent defined the process as ‘a representation of the new terms of ‘contract’ within the company, which reflected the Kank’s non-involvement of the union, despite promised involvement by the management team’ (Mr Abangwu, Distribution unit). In a counter-response by the delivery supervisor in Buja network, he noted that ‘the company’s focus despite the non-involvement of the union was not an exclusion of the ZEA. Rather, the SRM irrespective of the absence of the ‘years of service’ criteria, provided a level playing ground for employees determined to achieve their performance and career targets. So for me with two years in the sector, I have the same opportunity with Engineer Bako, who has ten years of experience in the sector’ (Delivery Supervisor, Buja). Other recruits interpreted the Kank distribution’s SRM as an end to political interference in employees career progression, which existed under government ownership. ‘Before the new framework in Kank, a signature from someone at the presidency or Ministry could get one a job in the company, but no more. We all work hard to achieve any target or career advancement we desire in the sector’ (Engineer Sobulu, Distribution Division, Kank). ‘The process now is less about whom you know and more about what one contributes to the company’s growth and advancement’ (Mr Okike, network division) or what another respondent described as ‘a performance-based process that promoted better working conditions and career progression’ (Mrs Ozumba, billing division).

A counter-response from some survivors pointed to the heightened insecurity among employees who relied on the ‘years of service’ criteria as against the company-standard performance criteria which empathised educational qualifications, age and performance standards. ‘Even with the reassurance from the employer of a fair process, workers are still curious about the process and safety of workers within a certain age bracket, with less educational qualification and no union representation’ (Dr Salifu, Manager Kank). ‘Most of us believe that we are back to the case of the insincere government. Some of us within certain age criteria are uncertain whether we are in or out’ (Account assistant, Buja network).

Following the discussion between the two classes of employees (survivors and recruits), it was apparent that the internal divide was not necessarily about the SRM but the question of trust. The issue of trust between employees in the company was also apparent during the interview session, where most respondents insisted that the meeting must be confidential, not
recorded and that they wished to remain anonymous. The bias was severe especially among survivors who lacked the performance targets outlined in the model criteria (age and educational qualification), and so, could not reconcile the promises contained in the SRM and their job security. To this end, despite the comprehensive communication framework, most of the survivors at the management level resolved to a ‘silent’ opposition approach to protest what they considered as unfair changes. What that entailed was that most managers (survivors) avoided any suggestions that would counter management’s decision despite the possible impact on workers commitment to work. ‘It is more like say nothing, and you would not be quoted in the management meetings because anyone could be replaced if they directly challenged management’ (ZEA local representative).

Similar concerns and internal division between the recruits and survivors (ZEA representatives) was also evident during the interview sessions with respondents in Exon and Qwest distribution. In Exon distribution, most survivors questioned the effectiveness of the newly introduced top-down communication framework, which they described as an attempt by the employer to engage directly with employees, and in effect relegate the ZEA relevance in the company. The strategy, according to a network manager in Exon, ‘was less about achieving company objectives and more to do with the replacement of experienced managers who represented the old system with recruits. All because the employer did not trust the experience and capacity of formal public sector employees to achieve its agenda’ (Engineer Ugwunwa, Network manager).

In another instance, the billing manager in Kada network-Exon characterised the management approach as ‘a framework that was less about individual manager’s experience and more about who had university degrees, preferably from a foreign university. Based on these criteria, my 15years of experience in the company accounted for nothing’ (Engineer Osah, Billing Kada network-Exon). The implementation of this segmented approach resulted in what a deputy supervisor in Ojosk network-Exon described as ‘the management’s disconnect on how to enhance the network’s outdated facilities and the role of workers motivation in the process’. The implication of this disconnect was such that it affected performance and morale within the networks. The performance report of 2013 and 2014 was so bad because most of us were not happy about the inequality at work’ (Mrs Bankola, Distribution supervisor, Exon).

Alternatively, the employee's responded to the inequality at work between the survivors and recruits in Qwest distribution by presenting the local union’s grassroots measure to secure survivors that could be affected. The grassroots measures which included ‘training and skill
development sessions by local ZEA representatives focused on bridging the educational and skill gaps, especially for employees who faced the threat of possible redundancy because of their low education or skill levels’ (Mr Mbam, Local representative).

The interpretation of the organisation divide seemed to differ between the survivors and recruits; such internal divide was a representation of the employer's interpretation of the process. Such that while the recruits lauded the employer’s strategic approach as an operational success, most survivors described it as an unfair and discriminatory process.

What however differed between these companies was how the local unions responded to the process despite the absence of a coordinated bargaining framework in the sector. While employees in Exon and Kank remained at the point of regret and possible alternatives outside the sector, in Qwest distribution, employees response was more about the solution and fewer complaints.

7.3 Labour Based Agreement: Its Interpretation in the Privatised Sector

7.3.1 Discussions on the Contracted Payouts

The union’s response to the workplace changes such as the segmented communication framework and the internal divide between the survivors and recruits occurred through a cooperation and sometimes confrontation engagement framework. Starting from the initial formal consultation between the union and representatives from the Task Force on Power committee in May 2014, down to subsequent media campaigns, the union maintained the resolution of all short-term agreements such as the contracted payouts. During its campaigns which included social media debates, radio jingles and commentaries in VWT and CAV television channels, the union presented a direct link between the handover process by the government and the employment practices that emerged. The national coordinator suggested that ‘the new investors took a cue from the government and ran with it. Look, most of our members have not being paid, and that did not prevent the privatisation or changes that emerged afterwards’.

Part of the debate on the contracted payout included discussions on what and how much was owed to employees in the sector. In one of the televised debate between the ZEA national coordinator and a representative from the TFP, the ZEA national coordinator reiterated that ‘despite the government’s insistence of a 90% payout to employees, the records showed that
most employees have either received partial or zero severance payouts, despite earlier promises outlined in the LBA’ (ZEA National Coordinator). In his response to the ZEA national coordinator's interpretation of the agreed payouts, the TFP representative stated that ‘the ZEA reaction to the payout process was nothing but a political response to the situation and not the actual reality at the time. Although some of the employees were yet to receive their entitlement at the time, it was an issue with accreditation and not government’s decision as indicated by the union’ (Dr Faboluwa, Director TFP).

A counter-response to the director’s stance on the agreed contractual payout ‘the union sent communications to the government in which it expressed disappointment with the unending verification exercise for employees, delayed payments and underpayment of severance entitlements’ (Comrade Odoh, Chapter Representative). ‘The union also reiterated the need to revisit the agreed terminal/severance benefits (5% inflation rate for a pension and 150% salary increase), computed gratuity scale, payments and the 5% inflation rate for an accrued pension. We had the receipts and government must pay all that was agreed’ (Mr Okarabu, Manager, Exon).

Even with the formal and informal campaigns, some respondents questioned the possibility of a full pay-out of their entitlements from the previous contract by the government.

The severance packages some of us received before the handover was disheartening. Even after the handover, most of us are yet to receive the full payments agreed at the negotiation stage. In my case, I received part-payment and heard nothing since then.

(Manager, Exon distribution).

We hoped that the ZEA would convince the government to pay the accrued benefits in full as agreed without any further delay. The government made some payment after the strike action in 2013, but nothing since except the unending verification exercise

(Unit Supervisor, Kank distribution).
After over 20 years in the sector, we still had to beg for our entitlements. Once I confirmed the exact amount I would receive, I initiated some retirement plans with my wife, but here we are, three years after with nothing but promises.

(Lineman supervisor, Qwest distribution).

The response from most of these respondents who in this case, functioned both as union representatives and employees in the privatised sector contradicted the information from the Ministry of Power and the Public Enterprises Authority (PEA). The gap between the information from the ZEA and government according to the ZEA claims coordinator ‘existed because despite the agreement reached; there seemed to be a disagreement on what had being paid. Such that while the government’s records maintained an 80% entitlement payouts, the union’s record showed over 50% underpayments with more than 7,000 employees still unpaid.

7.3.2 Contractual Differentiation in the Sector

While negotiations between the government and ZEA on the outstanding pay-outs continued, ZEA attempted to initiate a formal consultation framework with the employer to discuss the inequality within the contractual arrangements between the survivors and recruits across the cases. In their communication to the employers, the union focused on the impact of such contracts on survivor’s career progression and job security, especially for survivors within the NEDS.

In their communication to Qwest distribution, the union pointed to the distribution’s new contract arrangement following the initial six-months agreed terms and how that differed from the agreed terms stipulated in the LBA. The new contract framework classified the contractual agreement received by its employees into- A (permanent-recruits), B (temporary and casual/industrial) and C (survivors- one-year contract) under defined terms. The class ‘C’ employees who were all survivors of the privatisation were retained under an initial one-year temporary contract which lasted between November 2013 and November 2014. After which these employees were placed on a month to month contract between November 2014 and at
the time of the research in May 2015. The introduction of the month to month contract for survivors in 2015, not only directly contrasted the civil service ethos for defined contract agreement and career progression but unfair to those who maintained the sector thus far’ (Production Manager, Qwest).

A different contract arrangement was provided to the class ‘A’ employees who received permanent contracts with a clear directive on their career progression plans in the sector. The third classification (B) which was for employees on causal/industrial contracts provided them clear fixed term contract with no option for contract upgrade, no certification, submission or recommendations. These employees, however, could apply as external candidates in cases of vacancies on permanent positions.

In response to the above contract differences between employees, ‘the union sent a formal communication to the Qwest in which it provided a direct link between the company’s three-phase contractual arrangement (A- recruits, B-survivors on zero contract post-2014 and C-temporary contracts) and the productivity levels’ (ZEA National Coordinator). Most of the information contained in this communication included testimony and reports from employees sampled across the networks, evidence of employee commitment before this contract framework and the traditional collective bargaining channels.

The debate on the link between inclusive involvement and productivity was reinforced during the interview sessions by some local union representatives who argued that the employer was not able to gain employee confidence because of the uncertainty within the new contract framework. The absence of a career progression and job security and its impact on their commitment and motivation to work dominated the discussions with employees in category ‘B’ and ‘C’ during diagram elicitation session.
The debate between the respondents on the contract differences between the employees within the networks began with the ‘Hire and fire slogan’ which emerged towards the end of the fixed one-year temporary contract between 2013 and 2014. The month by month contractual arrangement that emerged afterwards led to discussions on job security, limited
pay and zero career progression for employees in the ‘B’ and ‘C’ category. A process which most of the respondents, maintained was discriminatory, unfair, and in direct contrast to ESPRA\textsuperscript{36} of 2005 terms for favourable employment conditions as discussed Chapter 5 and 6.

For other respondents the contractual differentiation was a combination of different issues;

The new condition of service policy is ambiguous to employees used to the ZEA negotiated terms, because the formal contracts provided a clear part for the future. All that changed in the new era, which allowed management to decide what happens, which in the case involved move use of contract workers, with no discussion on how to regularise our contracts.

(HR officer, Qwest distribution).

The absence of a contract agreement allowed the company to lay off workers with no payout, compensation and dispute from local union officers. At the moment, the month to month guarantees no rights and as such, if anything happened now… God forbid, we have no legal rights to fight back.

(Linesman supervisor, Qwest).

The contractual differentiation between the survivors and recruits in Exon and Kank distributions, unlike the outcome in Qwest distribution, occurred within a more defined contractual arrangement. In Exon, the contractual arrangement ensured that while the employer recruited employees on fixed contracts, they retained survivors and the recruits on permanent contracts. The exception, however, was the internal classification between the

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\textsuperscript{36} The section 7(1) of the Labour law which categorically states that ‘not later than three months after the beginning of a worker’s period of employment with an employer, the employer shall give to the worker a written statement specifying the contract terms.

The section 5(1) of EPSRA 2005: With effect from the initial transfer date, every person employed by the Authority immediately before that date shall be transferred to the service of either the Commission or the initial holding company, on terms not less favourable than those enjoyed by him immediately before his transfer.
survivors and recruits permanent contracts which differed in terms of their percentage of fringe benefits, pay determination and skill advancement program. The same arrangement did not apply to the employees on casual contracts, who received fixed-term agreements with zero allowances but with an option to apply for internal vacancies.

The union’s response which also involved formal communications to the Exon, challenged the Exon contract measures which retained survivors on their old contracts while the recruits and temporary workers received new contracts with the employer without any negotiations with ZEA’ (HR manager, Exon). This framework was further discussed during the diagram elicitation session with local representatives (survivors) and the recruits in Exon,
Figure 7.5: The Contractual Framework in Exon Distribution

Source: Contractual Interpretation by survivors and recruits in Exon (2015)

Figure 7.5. At first glance in Exon given that survivors and recruits have defined contracts, the expectation was that they would have better contractual terms. The elicitation session in Exon distribution which held on the 28/05/2015, had in attendance ten representatives (six survivors (S) and three recruits (R)). During the discussions on the contractual terms of employees in Exon, most survivors who worked in the non-technical division were more vocal as they expressed the uncertainty with their contracts due to possible downgrade and outsourcing of some of their services as a cost-reduction strategy.

Interviewer: Why the uncertainty despite the fixed contract provided after privatisation?

Mr Chukwuma (R): “The uncertainty most of us have focused on today is regarding the increasing use of contract staffs, who offer same service but at a cheaper rate. However, what we should not forget is that performance remains the key to security in the company. So, for most of us, we hope that our high performance would support us, but you never know.

Interviewer: So why was the tears included in the diagram instead of emphasis on performance?

Comrade Oluwale (S): “Because we cannot fight the management and win. Remember that government is still part of this sector. Even if we achieve all the performance needed, we are fighting against factors beyond this company. The tears indicate that most of us are getting far below what government promised”.

The uncertainty and concerns which most of the respondents expressed also included news reports on the bailouts by the government and the deficit crisis in the sector and possible impact on their contracts which most believed would not result in any sanctions by the regulator. The ‘silence’ of the regulator and the Ministry of Labour despite changes in the workplace conditions aggravated the discussions on contract differentiation at this point as some raised concerns on high stress levels within the network.
The above diagram elicitation by survivors and recruits in Exon raised questions on the uncertainty of work, especially among survivors who despite their permanent contracts, complained about other underlying terms. For one, they considered their retention on the old contract as a disadvantage because it placed most of them on a job grade lower than their counterparts (recruits). The three-phase contract arrangement which encouraged the use of fixed contract employees was a concern especially for those in non-technical departments who feared that automation, infrastructural developments and cheaper labour (contracts) might either result in job downgrades or outsourcing which was already taking place in other privatised sectors.

The Kank contractual framework, unlike the two previous cases, provided more defined terms for employees on each contract (permanent and temporary) in terms of their job responsibilities, salary and terms of engagement. Its structured approach narrowed contracts into permanent and fixed-term, with the later engaged in only specific projects, within a given timeframe and paid off at the end of the contracts. The agenda for the contract framework was to retain skills within the company and at the same time, provide opportunities for employees to advance and progress through their career within Kank’ (Public relation officer, Kank). ‘Comparatively, the contractual arrangement and corresponding implementation process remain at an infancy stage, which the company hopes to advance over time’ (Regulatory Negotiator, Kank).

7.3.3 Pay Differentiation within the Employment Contracts

The precarious working conditions and increased inequalities that existed between survivors of the reform and the recruits within the cases also impacted the pay determination framework within the cases. Although the discussion on pay in the sector, was regarded as a sensitive topic, the narrative provided by respondents depended on their company, contract classification and the start date. Traditionally, ‘the pay structure in NEDS consisted of a yearly payoff (one-off pay), basic monthly pay and several entitlements which consisted of a certain percentage of the annual salary at the beginning of the year’ (Unit Supervisor, Exon). This traditional pay structure for all employees within the electricity sector prior to the privatisation is represented below:
Figure 7.1: Salary Schedule for Workers in the Sector

<table>
<thead>
<tr>
<th>S/N</th>
<th>Degree Classification</th>
<th>Job Grade</th>
<th>Basic Salary</th>
<th>Transport (25% of Basic)</th>
<th>Housing (70% of Basic)</th>
<th>Furniture (40% of Basic)</th>
<th>Hazard (10% of Basic)</th>
<th>Leave (20% of Basic)</th>
<th>Utility (15% of Basic)</th>
<th>Extra Duty (15% of Basic)</th>
<th>Rebate</th>
<th>Meal</th>
<th>Entertainment</th>
<th>Domestic</th>
<th>Total (In Naira)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FSLC</td>
<td>JS5/1 to JS3/15</td>
<td>13,817.25 to 37,346.25</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>47,186.80 to 113,068.00</td>
</tr>
<tr>
<td>2</td>
<td>SSCE (High School)</td>
<td>JS2/1 to JS1/15</td>
<td>16,101.15 to 47,116.65</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>55,005.42 to 141,848.82</td>
</tr>
<tr>
<td>3</td>
<td>National Diploma</td>
<td>SS4/1 to SS4/15</td>
<td>22,245.60 to 53,616.45</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>72,669.88 to 160,508.26</td>
</tr>
<tr>
<td>4</td>
<td>NCE</td>
<td>SS3/1 to SS2/1</td>
<td>28,312.43 to 36,285.38</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>98,886.80 to 122,407.01</td>
</tr>
<tr>
<td>5</td>
<td>BSC/HND</td>
<td>SS2/2 to SS2/15</td>
<td>39,768.15 to 85,044.23</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>132,681.19 to 266,245.61</td>
</tr>
<tr>
<td>6</td>
<td>Masters</td>
<td>SS1/1 to SS1/15</td>
<td>42,005.48 to 99,651.53</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>145,687.95 to 315,743.80</td>
</tr>
<tr>
<td>7</td>
<td>Law/Higher Degrees</td>
<td>MM3/1 to MM1/15</td>
<td>49,540.28 to 180,131.40</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>168,375.61 to 562,161.03</td>
</tr>
<tr>
<td>8</td>
<td>Senior Positions</td>
<td>SM2/1 to SM1/10</td>
<td>64,430.48 to 200,846.93</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>291,333.18 to 870,542.64</td>
</tr>
<tr>
<td></td>
<td>Appointed</td>
<td>EG3 to EG1</td>
<td>202,140.68 to 267,942.53</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Source:** The approved wage structure for the electricity distribution companies (Electricity Sector Pay Framework 2012)
The interpretation of the above pay framework differed between the companies. For instance, in Exon distribution, the pay framework that emerged was such that employees on the same contract, with similar job responsibilities, earned differently. Even at that, some employees were unaware of the reasons or the extent of the pay variation within the company. For instance, the survivors retained on the traditional contract; had their pay structure represented above, replaced with a new pay percentage without the employer negotiating with the union. The new pay percentage for these survivors included the traditional basic salary and some entitlements. The pay percentage also differed between employees contract agreement (permanent, contract and industrial employees), job responsibility and the nationality of employees (foreign or indigenous employees). Although the pay gap was an unspoken topic, most respondents who agreed to respond during the interview needed reassurance that their responses would only provide more insight into the research and with no negative consequence to themselves.

The discussion on pay determination in Exon continued during the diagram elicitation session, which had mostly representatives on a permanent contract (the survivors and the recruits). During the session, most of the survivors described the new pay system as an elimination of the traditional allowances, which made them worse off than most recruits.
Figure 7.6: Salary Determination Framework in Exon distribution

Source: Diagram elicitation by network representatives (survivors) and recruits in Exon Distribution (2015)

Figure 7.6: The discussion on salary determination initially began with silence and then laughter among the respondents before they asked for the recorder to be switched off. From the diagram above, it was clear why most respondents didn’t want to discuss the salary framework on record. According to employees, the representation of the salary framework in the sector, with different currency signs points to the varied classification of employees within Exon.

Interviewer: Why the currency signs beyond naira?

Engineer Rashid (S): “There is a common joke in our business unit…….. which currency are you on?

This is because its common knowledge that some people especially at the top level are paid in foreign currency, while we receive naira. I won’t say what I earn, but believe me, its far below what I expected”.

Interviewer: Why the different currency or are they expatriates?

Mrs Sonia (HR manager): “I can confirm that we have three classification of salary in the company. However, as organisation policy, I cannot go into who and why the differences. One thing is clear, the company offers a competitive salary grade within the sector”.

The notion of a ‘competitive salary grade’ by the HR manager triggered an intense debate even surprisingly among recruits who were not happy about the huge differences in pay. Respondents challenged the absence of a clear salary structure within the sector, which placed most survivors at a lower pay grade due to the reduction in accrued allowances and benefits. Even though no respondent stated what they earned, it was clear especially from survivors that they expected more.
The above classification of the pay framework by respondents indicated a three-scale system, namely the company scale, distribution scale and the contracted pay, which contradicted the LBA policy on fair pay between contracts. The company scale represented the pay structure for recruits at senior-level positions across the company who mostly got paid in foreign currency (dollars and pounds) as against survivors on the same grade who mostly received the distribution rate (paid in naira). ‘The distribution rate, however, was similar to the public sector pay scale, except for the removal of certain entitlements within the traditional pay framework. The level of entitlement which an employee on this grade received depended on their job levels and job responsibility’ (Manager, Exon distribution). In their interpretation of the pay levels, most respondents pointed out what they considered as discriminatory measures, especially for those on distribution rates.

The new pay structure gave us no choice, especially since workers could not directly challenge the employer without the union. So, it was either one accepted it or sought alternative employment. We stayed because they have the government on their side, and we have nothing.

(Marketing supervisor, Exon).

The new pay arrangement differed from promises made during the privatisation process. The people employed by the new owners are placed on a better salary scale than some of us who engage in the same job and on the same level with better job and sector experience. Yes, some older senior managers at the headquarters have good pay, but what of us down here?

(Network manager, Exon).

Most employees on fixed contracts described the distribution rate as peanuts and inhuman, even for a private company with international standards. Some of them noted that:

The pay for contract workers is nothing to write home about. People like us, are not sure how we have survived based on what we get paid when compared to the hours worked. No alternative job offers, so we stayed to provide for our families.

(Linesman Division, Exon)
To be sincere; those on contract are not comfortable. We work more and receive less pay at the end of the month. Unlike the public sector where we received side benefits, the new system is so segmented and restricted, and so all we get is our monthly pay.

(Marketing Personnel, Exon).

Similar concerns on the unfair pay structure emerged in Qwest distribution, where respondents through a diagram elicitation indicated that the uncertainty in their terms of the contract also applied to their pay structure. In a diagram elicitation session which took place on the 20th of May 2015 with local representatives (survivors of the process) in Ngwa network, these respondents collaborated the information already provided during the individual interview sessions regarded pay in the company.
During the discussions around pay structure, its suitability, factors considered, and how it differed from the traditional framework, most respondents compared their previous and current living standards. Most survivors noted that their pay structure was determined by a combination of different factors such as zero contracts, the absence of ZEA and Qwest’s cost-reduction policies.
‘The elimination of most entitlements in the pay system after the privatisation was so significant that most workers received far less than they did previously’ (Distribution supervisor, Qwest). ‘The salary now is so insignificant that I do not even know when it comes in again because its less than what we received in the past’ (Linesman, Qwest).

A similar cost reduction framework was introduced in Kank distribution, through a standard rate framework that eliminated some of the traditional entitlements for employees on a permanent contract. The extent of the elimination and the current rate of pay was summarised by a network manager who stated that ‘pay in Kank is a case of remain and take a pay cut or get alternative job offer outside the company’ (Buja network manager).

7.3.4 Increased Job Uncertainty in the Sector

Following the contractual differentiation and pay differential between the survivors and recruits, the Ministry of Power on the 12th of May 2014, initiated the first phase of redundancy across the sector, which breached the LBA terms discussed in Chapter 6. The ZEA National Coordinator noted that ‘the initial names published by the ministry, was an indication of a selective redundancy process given that over 80% of the names were union local representatives at different levels such as the central executive, state councils, chapters, state and networks. ‘The sector-wide redundancy letters which the government took responsibility for mainly stated, thanks for your service, but the company is going in a new direction, and needed new skills’ (Unit supervisor, Kank).

At the time of the redundancy wave in 2014, I only had 7 years before retirement. So, once the news reached our network, I prayed that the redundancy letter would never arrive. Following the news, I received an email to attend a meeting at the area level the following week. Before leaving for that meeting, I rang my wife and informed her of the situation and the possibility of a sack. What troubled me most was my outstanding entitlements and the inability of the union to save our colleagues who already received their letters.

(Senior Distribution officer, Kank).
For another respondent, the announcement needed a more spiritual approach:

Once we received the news that management already sent out redundancy letters, I rang my wife and prayed with her before attending the meeting at the office. Once my name was not mentioned for possible redundancy, I rang home and advised her to continue praying because it was just a sign that God still loved us.

(Network official, Buja Network, Kank).

In Exon distribution, ‘the redundancy process led to a staff reduction from 15,000 employees to 4,200. After that, the employer initiated a retention and recruitment plan, which then increased the staff base to 5,200 with plans for additional 2,000 network officials in the next two years’ (Company Staff records 2015). The company adopted a cost-reduction and skill replacement strategy, which led to the replacement of older employees with university graduates through its graduate program. For instance, in Minka network, a linesman noted how he almost lost his job because he refused to open a letter he received during the process. He noted that ‘having spent over 15 years in the sector and with my age, I felt that management would replace me with a graduate. So once I received a letter from the headquarters, I kept it for a week before realising it was actually for retraining and not redundancy. In the Ngwa network, employees responded to the redundancy through a ‘sit down and work approach, in direct protest to the idea of outright redundancy in the network. So, for a week, most of them came to work and refused to report to their duties until the end of the day. The supervisors, however, covered the slack, because the changes affected all of us even though we could not directly oppose management’ (Supervising officer, Exon).

For employees in Qwest distribution, the uncertainty given their one-year fixed contracts was heightened by the displacement of lower-level and senior managers across the networks. ‘We understood that local ZEA could not make any changes for us. Remember, all of us that remained after the privatisation had the same contracts which did not provide us with the right to challenge the employer in court in case of a dismissal’ (Engineer Solomon, Network Supervisor). In another instance, a respondent narrated how ‘the first batch of letters for dismissal had the names of four ZEA representative who could not oppose the employer because of the nature of their contracts. It was at that point that I resolved; anyone could be asked to go
at any time. As I speak to you now, two years later, we could be asked to leave the next day with no payouts or benefits’ (Mr Lobashi, Distribution division).

More discussion on the level of job uncertainty especially for survivors continued during the diagram elicitation session with respondents who described the situation as thus;

Figure 7.8: Level of Job Uncertainty in Qwest Distribution

Source: Diagram Elicitation by respondents (survivors and recruits) in Qwest Distribution (2015)

Figure 7.8: On the discussion around job insecurity in Qwest distribution, there was a unanimous view among respondents (S and R) that the absence of a fixed contract for survivors was a major challenge when it came to the organisation’s communication on job security and employee commitment.

Interviewer: Why is everyone headed for the exit in different directions?

Comrade Eguwibe (S): “The diagram is our way of saying that there is no job security. While people are finding jobs and leaving, we have witnessed instances where workers were sacked without pay or compensation. The one-year probation is done, and we are yet to hear anything from management. Interestingly, even for those within the building (who represent recruits with defined contracts) as indicated in the diagram, they also expressed the willingness to leave for better offers outside the sector. Therefore, unlike the traditional workplace arrangement which guaranteed commitment and job security, one respondent concluded that ‘the issue of job security should not even be discussed because it does not exist in this company’ (Mr Sunday, Linesman)
The uncertainty of career progression and job security as described by the respondents was such that unlike the traditional ‘job for life’ framework, most survivors describe their security as one that could end at any time due to the uncertainty of their contract extension. The perception of these respondents did not change even when management representatives interpreted the redundancy process as performance-driven. ‘Even with promises of the possible contract extension, most workers are ready to move at any point in time. I am currently undertaking some employment assessment and hope to get a job offer soon’ (Mr Kako, local representatives). For other respondents, their concern for job uncertainty arose not even with the one-year contract but after the May 2014 sector-wide redundancy process.

Once we received communication that sack letters were being issued from the head office, some of us zeroed in our minds and prepared for the end. Especially for those of us in non-technical divisions, the combination of zero distribution experience, use of contract staff and no contract made us most vulnerable.

(Engr. Abdul, Okogbo Network).

Even though most of us in the technical divisions believed that our jobs were safe, the move towards automation and the economic challenges which led to bail-out measures by the government placed both technical and non-technical employees on the same boat. Zero guarantee.

(Ms Ngozi, Ojok Network).

The elicitation session was interrupted when the deputy director of communication entered the conference room. After exchanging pleasantries, he went on to reiterate employees concerns regarding the redundancy process and the influence of economic pressures on the company’s management decision. According to him, ‘the decision to lay off some workers was only a cost reduction strategy by the company to avoid a total collapse of the company given increased commercial losses and recurrent expenditure. Even at that, the company is determined to secure employees who add value to the business because who would want to lose a valuable employee?’ (Dr Ossai, Direct Communication).
Once the director left the room, most employees contradicted his positive assertion of the process. In one instance, a drilling unit supervisor questioned how the zero-contract strategy and outright redundancy without pay could be considered cost-effective and to the benefit of employees. In what he described as a discriminatory process, he (supervisor) maintained that ‘the absence of defined contract terms enabled the employer to lay people off anyhow. Such that one could wake up, and for one thing or the other, just get dismissed, which was not the case in the old sector, where employees were allowed to challenge any query’ (Drilling unit supervisor, Distribution Division). The new changes, according to the linesmen supervisor, ‘is such that the next hour was not guaranteed and yet, management wants us to wait for them to make up their mind. One could come to work not knowing if it was their last day of service. Two weeks ago, the tension was so much that workers refused to report to their assigned stations the entire day’ (Engineer Ajogwa, Linesmen Supervisor).

The misnomer and complexity of job survival both in Exxon, Qwest and Kank distributions, was compounded by both the internal management policies and the absence of regulatory sanctions. The ZEA renegotiation strategy earlier discussed in the chapter which involved direct communication to the employers through formal letters seemed to have remained the same despite the changing political economy in which these companies are embedded. The union’s decision to continue its direct negotiations strategy which failed to recognise the shifting internal narrative evolved in late 2014 through its renegotiation and survival strategy where they (union) attempted to align its strategy with the changing business environment. Their approach was an attempt towards Mackenzie’s (2000) and Martinez Lucio and Stuart (2004) assertion for a union strategy that acknowledges firm-level changes and the political economy in their response, as against the traditional dichotomy through the partnership or militant framework (Bacon et al. 1996; Kelly 1996).

7.4 Union Response: The Renegotiation Process

The ZEA initial response to the contractual divide between the survivors and recruits’ and its zero consultation framework with the employers within the cases (Kank, Exxon and Qwest), involved a call for national strike action in August of 2014. In their ‘call for strike actions’, the ZEA reiterated the 2014 redundancy process by the Ministry of Power which directly contrasted with the LBA recommendations for an alternative employment opportunity and compulsory six-month contracts for all employees.

In response to this call for strike action by ZEA, ‘the Minister of Power during a televised program insisted that the ZEA must consider other renegotiation strategies with the
employers before embarking on further strike actions. Mainly because previous strike actions in the electricity sector between 2011 and 2013 resulted in the loss of 7.734 billion revenue in the sector. The Minister also reiterated that the government would not interfere with the redundancy process, and so guaranteed no protection for employees. The government maintained that the companies had a business to and therefore, the ZEA needs to understand that and explore other measures of communication’ (Dr Udoka, Policy Division, PEA).

Following the government’s policy position on the strike action, the union organised a three-day meeting in Ogba state, between October the 9th and 11th 2014 which had in attendance local representatives across the networks. ‘During the meeting, the representatives explored other alternatives that would gain government and the employer's support and after much deliberation, reached a consensus for a formal consultation with the individual and collective employers association. The proposed consultation framework was to get the union and employers on the negotiation table and renegotiate the LBA in line with changes within the business environment ’ (Comrade Bisola-Jaka, ZEA regional representative). ‘The concern with this renegotiation was how the current economic and financial constraints in the sector and the shareholder's expectations for cost reduction would align with the LBA’ (Comrade Job, regional representatives, ZEA). The agreement reached after the Ogba meeting became the ZEA renegotiation strategy, which during the research in 2015 was still at its development stage.

Figure 7.9: The Renegotiation Strategy (Post-2014) by the ZEA

Source: The ZEA Ogba meeting records (2014)
In what the union characterised as its S’ and ‘Z’ strategic steps in redefining employee ‘voice’ in the negotiation process At this stage, they (union representatives) considered the current institutional challenges within the sector, external management and political interferences and the use of defined transition campaigns and company-sensitisation programs to achieve its objectives. Unlike the traditional bargaining framework between the government and ZEA, where the latter prioritised strike actions, the ZEA opted for lobbying at the policy and company levels. ‘All aimed to take the bull by the horn, through a more coordinated but individualised engagement strategy that established its relevance and the need for the LBA survival despite on-going changes within the sector’ (ZEA National Coordinator).

7.4.1 The Survival Strategy

The changing narrative, especially among employees (union members) on job insecurity, the temporary ban on union membership (by two of the employers), the relegation of the LBA, and weak regulatory measures, led to discussions on union survival in the sector. ‘For our survival, the union decided to move beyond the idea of strike actions and explored options that would build a relationship and change the narrative of the private investors, who believed that ZEA was trouble in the sector’ (Chief negotiator, ZEA). The rethinking of collective bargaining began with a meeting in March of 2015. According to a respondent, ‘the March 2015 meeting in the Labosa provided the ZEA with an opportunity to engage with local representatives across the networks. During the meeting, we discussed the years of political interference, breach of the LBA, the changing narrative in the sector, the absence of formal negotiations in the sector and how to move beyond the current silence on our part. For me, the union gave these companies two years, and nothing changed, so we needed to explore ways to avoid what happened in other sectors after privatisation happen here’ (ZEA national coordinator).

After the historical overview on the extent of collective bargaining in the sector, ‘the ZEA developed an individualised consultation framework, which unlike its previous approach to bargaining acknowledged the peculiarities within the companies, political presence and other external factors’ (Miss Balogun, ZEA local representative). The discussion on union survival according to the meeting report also explored the total alienation of unionism in the telecommunication sector after its privatisation in the year 2000s and the inability of the
telecommunication union to reestablish representation because of series of oppositions before
the process. ‘Given these changes in the telecommunication sector, the ZEA proposed the
adoption of an ‘individualised renegotiation’ framework, to reduce the growing
communication gap between the union, the employers and employees’(Comrade Odoh, ZEA
local representative). This strategy was communicated as necessary, especially in the Exxon
and Qwest distributions, where employees signed a contract which prevented them from
engaging in union activities. Its proposed implementation involved the ‘the use of ZEA’s
political influence, social dialogue and consumer support groups relationships as leverage to
drive its consultation with the employers’ (Mr Philips, ZEA representative). ‘The chal-

lange, however, was that representatives had their reservation about the success of this strategy due
to the dwindling union strength and the assumption that the use of its external networks
would automatically improve relations and its survival in the sector’(Regional representative,
ZEA).

In response to the dwindling union strength and the feasibility of the renegotiation strategy
discussed above, the union also initiated a micro-based communication approach termed, the
‘sub-unit consultation’ strategy. Through this strategy, the union aimed to regain the
confidence of business unit managers at the network levels. Rather than relying on the
traditional top-down consultation channels, which allowed the ZEA access to the networks,
the absence of such channels necessitated the need to develop a relationship with the network
and unit-based managers at lower levels. ‘Through this ‘bottom-top’ approach, the ZEA was
determined to rebuild union strength especially given that the 2014 redundancy process not
only reduced its membership but also hindered further membership campaigns’ (Comrade
Odo, Chapter representative). However, the increased use of contracting and inequality at
work was used to motivate employees, and lower-level managers on the need for union
membership. The relevance of these proposed union survival framework and its
implementation within the cases remains inconclusive given incidents of continued
redundancy and the weak impact of the ZEA agitation in the sector since 2015.
7.5 Conclusion

The various interpretation of privatisation, its influence on employment-related concerns and its outcome within the NEDS shaped the LBA between the government and the ZEA in 2011. The government initiation of what it termed the pre-transition phase triggered the final bidding process with many unresolved concerns, especially with the union. The union response to the government’s implementation of the short-term conditions of the LBA and the sector-wide shock that emerged following the government announcement for a handover process further compounded the fears of workers with many uncertainties post-privatisation. While the initiation of the final bidding phase was considered too fast by the union, its response through strike actions and formal communication to the government were considered adequate at that stage of the privatisation process.

Through its formal consultation channels, the union initiated its campaigns which outlined the agreed short-term conditions stipulated in the LBA and then challenged the government on its pace and approach to its implementation. Although the union’s representative argued that the LBA terms had to be implemented before the final bidding process began, what was not evident within the agreement was the agreed implementation timeline and possible sanctions in the case of a breach. The debate which emerged at this point goes back to the research questions which probed whether the LBA was initiated to achieve the political debate to privatise or secure employee ‘voice’ in the sector through a resolution of all labour concerns. The question became more remarkable given that while the government approved the LBA, its delayed implementation and the varied interpretation between the government and union on ‘what’, ‘if’ and ‘how’ the short-term conditions should be implemented raised many questions on its (LBA) underlying objective. Although the LBA outlined its short-term and long-term objectives in terms of the pay-out of entitlements and job security, what occurred in the privatised sector (2012 and 2015) was a multi-tier interpretation and implementation process which differed significantly from the outlined LBA terms.

During the consultation between the union leadership with the government, both parties explored the possible implementation of all the agreed short-term conditions before the proposed handover. All without an in-depth analysis of previously failed agreements with the government and the sudden policy change by the Ministry of Power which rather than follow the agreed LBA, continued with the handover process. Even with the union’s leadership insistence that its focus on the short-term policy was strategic, most employees challenged it, given that the agreed contractual pay-out did not guarantee job security in the future. For
these employees, rather than the union focusing solely on the short-term conditions given previous failed agreements with the government, they opted for a comprehensive plan that guaranteed the implementation of the long-term agreements in post-privatisation.

While the internal division between the union leadership and employees continued endlessly, the government, despite the unresolved outstanding terms within the LBA short-term plan handed over the companies to the private sector in 2013. This transition process, which was undertaken without the union was the beginning of the failed collective bargaining framework in the sector. The challenge was not just the immediate handover of the sector or the inability of the government to fulfil its agreement with the union, preferably a combination of the political interference and the inability of the ZEA to utilise its power resources adequately throughout the bargaining process (2000-2013). What the union failed to understand was that the government negotiation framework with the ZEA was always in reaction to the union’s strike actions as against a more coordinated process within a strategic framework. Following the absence of strategic collective bargaining process that could be sustained beyond the public sector framework, the private sector employers introduced their interpretation of engagement process which except Kank distribution relegated the involvement of survivors who were union members.

With that came the question of unionism and its survival in the sector, which was further challenged by the multi-level labour relations terms in the sector that created a divide between the recruits and survivors in the sector. The segmented framework and the internal divide in terms of its interpretation between the recruits and survivors of the process was a function of the varied employment conditions that emerged in the companies. In Exon and Kank distribution where employees received standard permanent and fixed-term contracts, the extent of their contract, educational qualification, and the age determined their pay structure. In the case of Exon, the employer developed a three-level wage system - company scale, distribution scale and contract scale, the wage was determined by the date of employment, nationality and job responsibility. That was not the same for Kank distribution, where employees received their pay but with no insight into possible pay gap within the company. The reality in Qwest between the survivors and the recruits differed extensively from Kank and Exon. While survivors initially received a one-year contract and they were subsequently placed on a month by month contract at the end of the one-year contract. The arrangement differed for the recruits who received the permanent and fixed-term contracts. Although this organisational change also replaced ‘years of service’ with educational
qualification, age and skill development in Exon and Kank, the uncertainty at work increased following the sector-wide redundancy exercise by the Ministry of Power.

The initial union response following changes to the organisational framework and the absence of industrial relations was far from being strategic. Instead of the union to explore the firm-level characteristics of these companies and the changing political economy, they sent out standard communication requests and recommended more strike actions, which they believed would get them to the negotiation table. A change in this strategy emerged following the political directive which warned that the government would not support any strike action in the sector. Only then did the ZEA initiate its renegotiation and survival strategy. The renegotiation strategy by the ZEA explored ways on how to renegotiate the contractual differentiation, pay differences, increased uncertainty and unresolved contractual pay-out, with the government and private investors. While ZEA acknowledged the need to decentralise the process, they also explored other organisational frameworks which at the time of the study failed to recognise the changing political, economic, social-cultural and in this case home country influence (multinational partners) on the management practices. The failure to recognise these institutional challenges even in its proposed strategy for survival indicated a case of ‘institutional unawareness’ on the part of the ZEA leadership. Privatisation as a concept has not only changed the ownership structure but introduced a new dynamic of institutional dynamics that the union must recognise to sustain industrial relations in the privatised electricity distribution sector.
Chapter 8

Discussion and Conclusion

8.0 Introduction

As discussed in the previous four chapters, this research has explored how the historic political and economic debate that determined previous reforms in the sector, influenced the privatisation of the Nigerian Electricity Distribution Sector (NEDS), the union response and collective bargaining framework that emerged within the sector. In this discussion and concluding chapter, the key themes of the research are drawn together to answer the main research questions raised at the beginning of the study. What was the underlying political objective to privatise, and what factors determined the process? How did the government’s communication of privatisation and union responses between 2000 and 2011 influence the collective bargaining framework for the LBA? What were the competing rationales during the LBA negotiations? How did the implementation of the LBA vary between companies and why? Finally, to what extent did the LBA protect employee voice or was it just a policy strategy by the government to achieve its political objective to privatise and why?

The idea is to provide a detailed analysis of the macro and meso level interpretation of privatisation, the Labour Based Agreement (LBA) in the sector and the underlying factors that determined the industrial relation outcomes in post-privatisation. Firstly, the chapter summarises the key findings of the empirical study. Secondly, the findings are then interpreted with the main implications drawn in relation to industrial relations, following the privatisation of public enterprises in sub-Saharan Africa countries such as Nigeria. Finally, a further attempt is made to highlight the contributions of the study in response to the research questions, the limitations and then suggestions for future research to build on this study, regarding privatisation and its industrial relations implications.
8.1 A Summary of the Findings

Firstly, the research found that the proliferation of reforms in the NEDS between the 1940s and 2013 relied on a rather narrow framework which promoted the government’s agenda for political dominance, regional representation and economic development, as the strategy for improved performance in the sector. Although the interpretation of this three-phased policy agenda varied between regimes, the government, through its totalitarian control of the operation and management of the sector replaced market efficiency with the interest of the political elite, for state’s total control in the sector. What this meant was the introduction of the policy agenda that was lauded as strategic despite the government’s incapability to separate its role as the employer and regulator of the reform process.

The challenge that arose within this framework was the issue of the government’s administrative and managerial capacity to privatise the sector, political motivation to effectively regulate and sustain the needed success (Cook 1999). In NEDS, the government’s plans for network expansion and management efficiency only considered the immediate supply-gap challenges and its political interests as against the underlying institutional challenges that triggered those gaps in the NEDS. This narrowed reform framework is supported by the empirical evidence, which argued that for a government with a weak political and administrative system riddled with enormous evidence of corruption linked to the ruling political parties, its proposal for sale and acquisition of the NEDS was highly questionable. There was a deep concern by other stakeholders over the government’s ability to effectively and efficiently reform the sector (Cook 1999; Parker 2002; Rohdewohld 1991). Especially in terms of the effectiveness of the regulator which remained under question because its board were political appointees who by law were appointed in line with the Federal Character policy, which promoted the idea of regional representation in government institutions. This evidence of self-seeking government, in terms of political and corrupt interests in the sector, were such that after four decades of reforms by the colonial, democratic and military regimes, the government was unable to resolve the persistent supply-gap in the country.

Secondly, the study found that the historical development of employment relations in the sector by the colonial regime and the union’s response had a significant influence on the design, pace and effectiveness of the collective bargaining process in the sector. The initial attempt at collective bargaining by the colonial regime through the 1946 Sir Arthur Richards constitutional reform was based on an integrated, diversified workplace, as discussed in
Chapter 4. The colonial regimes characterised employee engagement as a consultation with carefully selected employees who represented the political agenda of the state. At this point, the government’s strategy for bargaining with the union aligned with the indirect rule system which allowed lower-level managers loyal to the regime to oversee network-specific issues at the chapter level while the sector-based labour issues remained centralised at the national level. Through this framework, the government was able to propagate its agenda for political dominance and regional representation across the networks. All this was made possible by the continued political interference in the capital-labour relations, which further constrained the development of independent industrial relations institutions in the sector. The term ‘constrained’ in this case was used to describe the labour struggle that emerged following the political interference in the collective process, which encouraged and demanded the idea of absolute loyalty on the part of union representatives to the colonial government. A similar political interpretation of industrial relations also re-emerged under the democratic and military regime policy on collective bargaining, which considered the union as a stakeholder that promoted rather than opposed the government’s agenda in the sector. Based on this political ideology, the regimes relegated consultations to issues such as recruitment, promotion and possible network expansion as opposed to the union’s involvement at macro-level decision making in the sector.

Thirdly, the study found that the union’s response to this narrowed political agenda for the collective bargaining process by the regimes (colonial, democratic and military) was unstable and reactive rather than strategic. Through their assessment of the regimes, which regarded capital-labour relations as ‘basic’ requirement but not essential to the success of its reforms, the union initiated a response that was moderate rather than strategic as they struggled to conceptualise and retain a place at the negotiation level. Even though its moderate response to the restrictive relations in the sector was considered strategic at the time, what the union failed to recognise was that workplace changes and the pressures they put on employment relations were not just a case of management strategy alone, but also reflected the local union’s critical role in the restructuring initiatives (Frost 2001; Walton 1994).

With its moderate approach during the colonial, democratic and military regimes, the union failed to utilise its power resources, external resources, membership influence and its advantaged position to lobby for robust relations within the sector, due to the different challenges that emerged within the political economy. At the time the colonial administration initiated its 1946 integrated diversity agenda, the government was fighting to retain its grip on the country due to the political agenda for independence. The call for independence by the
political class presented a golden opportunity for the union to detach itself from political influence and domination and assert itself as an independent force and voice for the workers. Since the democratic political class had set out to make a political statement that countered the idea of colonialism in the country, they were more likely to yield to political pressures from interest groups, such as collective labour, and push for policies that facilitated long-term economic growth and political electoral support (Paczynska 2007). Reviewing the many challenges at the time, it is argued that the inability of the union to harness its internal resources and opportunities provided within the political economy had long term consequences. The union’s inability to seize the opportunity of an independent state emerging from colonialism hampered the development and growth of viable industrial relations institutions within the sector (Nellis 2008).

The main debate this study highlights was the union’s inability to conceptualise a strategic collective response to privatisation, which recognised and integrated the underlying political economy and firm-level characteristics (Levesque and Murray 2005; Mackenzie 2009; Martinez Lucio and Stuart 2004), in a way that guaranteed the development and survival of industrial relations irrespective of the regime, or government hostility. Instead, the union relied on its traditional response as mere participants in the process which directly contrasted Paczynska (2007) position that the union's response given the government’s drive for autonomy should entail proactive measures. Even though the union’s response which involved lobbying officials, alliance with political elites sympathetic to union interest and appealing for public support through the media and protest actions, may have been considered strategic, they failed to consider the inconsistency within the political economy and how that weakened its efficacy in the sector. In which case, the focus of this study was not only on union’s resources but a combination of the union’s experience gained from past encounters with the government, institutional interferences which would have aided their ‘why’ and ‘how’ questions to engage with the government successfully.

Fourthly, the study found that the 1990s military government’s alienation of the union, which involved instances of political arrest and zero collective bargaining, ultimately influenced the collective bargaining framework introduced in 1999 and 2013 and the union’s response. The new democratic regime in 1999, was headed by a previous military president who shared the military ideology for a totalitarian approach to the collective bargaining process. The government’s initial framework, which began with the Electric Power Committee (EPC) in the year 2000, supported the idea of union involvement in the process. The policy evolved following the subsequent introduction of the ESPRA of 2005 and the no-work, no-pay clause
in the Trade Union Act (amended) 2005, which regulated strike actions and presented a mixed message in terms of government’s policy on capital-labour relations in the reform. The privatisation framework that emerged reflected a political and economic debate which aligned with the governments acclaimed ‘success’ in the sector but with no detailed framework on its labour implications and resolutions.

The study found that although the government deemed their response to the union’s opposition through the LBA as strategic, due to its promised short-term and long-term resolutions on labour concerns, the agreement was far from being conclusive. This was because even though the agreement outlined the specific labour concerns in the sector, it failed to recognise and integrate the new owners’ interests, which contradicted the agreed terms for job security and union involvement. The internal divisions within the union structure that emerged through the process, and the absence of a specific timeframe for the agreement and possible negotiation of the terms in post-privatisation, were also issues which the ZEA overlooked during the agreement. Instead, it relied on the notion of ‘one size fits all’ perspective, based on the premise that irrespective of the political economy and firm-level characteristics, the involved parties (government, union and employers) would support the agreement. The study observed that the government and the private sector employers, as discussed in Chapter 7, not only side-lined the LBA but introduced policy changes that decentralised bargaining and, in some cases, totally excluded the union in the sector.

Finally, the final transfer of the unbundled NEDS to the private sector in 2013, did not deter the union’s use of its traditional strike action due to its power resources such as membership strength, national union alliance and lobbying. While the effective deployment of union resources sustained the collective bargaining process between 2000 and 2013, the union failed to reconceptualise and integrate these resources beyond the LBA. Such that two years after the handover to the private sector, the union was yet to introduce and implement a strategic framework that would resolve employment challenges confronted by its members. To which the study concluded that while the political drive to privatise may have determined the pace, design and implementation of the process; the union’s inability to conceptualise a strategic response had a significant impact on the outcome of the industrial relations in the NEDS.
8.2 Privatisation and its Industrial Relations Implications

As discussed, this study has created some significant implications for employment relations and union strategies towards privatisation, especially in a sub-Saharan African context, and the impact of privatisation processes on industrial relations. Given that the privatisation of the electricity sector dominated the political debate in Nigeria since 1999, the study has provided insights into changes within the internal labour market beyond the acclaimed government ‘success’ projections by the World Bank which influenced the government’s decision to privatise.

The study provided more insight into the dynamics of the political debate on the issue of reform, especially in developing countries, where the government’s agenda dominates the entire process. In the case of the NEDS, the government’s objective for reform was influenced by its objective of political dominance, regional representation and economic advancement. All based on the assumption that the representation of its political interest through the reform would end the supply-gap.

The dynamics of union response to privatisation can be understood from a historical analysis of the capital-labour relations that existed, the union development of its collective process and the political ideology on collective bargaining. In the Nigerian case, it was evident that the colonial government interpretation of employment relations, which they termed as employees or individual loyal to the economic objective of divide and rule hampered the development of the sector. Also, the study argued that the level of collective bargaining was not just a case of the government's approach but the initial response of the union and its strategic attempt to an effective bargaining process. The study also provided insight into the inefficiency of a short-term approach to collective bargaining, especially in countries with under-developed institutions where a change in government could alter previous collective agreements. Hence, a more strategic approach to bargaining that would be sustained within the changing political economy.

The study also served as a valuable opportunity to explore the dynamics of employment relations in the electricity sector, two years after the transfer of the assets to the private sector. Although possible changes may have occurred since then, most studies on the electricity sector and the drive to privatise at the time of the study focused more on the debates for efficiency, technical and infrastructural development. While few studies have explored the impact of the industrial relation in the privatisation, this study provides an insight into the initial changes that occurred and the underlying factors that predetermined the changes.
The study maintained that the dynamics of the multi-tier employment relations changes that occurred within the sector could only be understood from a historical context. Hence the historical study of the reforms in the electricity sector (1940 and 2000s), which enabled us to comprehend the evolving and overall political drama of privatisation. The historical framework provided an understanding of the dynamics of changes that occurred beyond the notion of regime type. Irrespective of military and democratic regimes, the underlying political interest for macro-economic advancement was without any consideration of the industrial relation implications.

8.3 Contributions of the Research

Several empirical studies (Ehrlich et al. 1994; Kole and Mulherin 1997; Laffont and Tirole 1993; Lopez-de-Silanes 1999; Mujumdar 1996) argued that the issue of privatisation in public enterprises are predetermined not just by ownership but other interacting institutions and how they predetermine the effectiveness of either state or private ownership. Rufin et al. (2003) attempted to understand these underlining factors that support the drive for ownership change through private sector participation in the electricity sector in Brazil, China and India. Rufin et al. concluded that while ownership status of an enterprise was essential, the variance between these countries occurred not because of ownership change but due to a combination of three key variables; ideology, interest groups and institutions. These factors were important in addressing the first of the research questions posed in this study: what was the underlying political objective to privatise, and what factors determined the process? This study observed a consistent driver to Rufin et al. ’s observation but also introduced a different abstraction in terms of the political objective to privatise the NEDS and the issue of data discrepancies which influenced the privatisation debate. While privatisation advocates for governments to eliminate the nationalistic, interventionist and redistributive character in their electricity sector, the issue of data discrepancy which determined the privatisation model in NEDS resulted in continued state involvement in the sector through the bailouts processes, regulatory framework and management of 40% shares in the company. Such that two years after the process, the sector still faced challenges of dwindling supply and drastic cost-reduction measures, which led to employee struggles. Therefore, the study of privatisation in developing countries especially for a sector such as NEDS which developed through various regimes, with under-developed institutions and management, there is need to explore other factors that shaped the privatisation debate within the political, economic and institutional prerogatives.
Secondly, in the context of developing economies, the rationale to privatise was, however more complex than the conventional market versus state consideration might suggest, as there is a need to consider not just the decision, pace and design to privatise, but the underlying political objective (Jamasb et al. 2005; Joskow 2001; Newbery, 2002; Rowthorn and Chang 1993). Such issues resonate with the second research question posed in this study: how did the government’s communication of privatisation and union responses between 2000 and 2011 influence the collective bargaining framework for the LBA? While the pace and design to privatise remains important, this study argued that there is a direct correlation between the decision to privatise and how that policy is communicated, especially in a developing country where employees and the union are sceptical of the government. In NEDS, the challenge that emerged within the privatisation process was not just about its design or pace, but the policy incoherence between the political and macroeconomic debate espoused by the change teams (EPC, TFP and Ministry of Power) and how they influenced the collective process. While the political debate reflected the specific historical context of government dominance in collective bargaining, the macroeconomic debate aligned more with the World Bank proposition for private sector involvement as a ploy to reduce the fiscal deficit in the country. The mixed-messaging that surprising went unaddressed by the government bother to the government. Possibly because the use of the mixed-messages facilitated its political objective, which was to privatise, engage with the union and end further strike actions in the sector. The outcome was a collective bargaining framework that not only weakened union’s bargaining position within the process but also the very survival of bargaining in the sector, because of the union’s failure to present a strategic framework to counter the communication challenges posed by the government. The study argues that the inability of the privatising government to reconcile its robust political ideology, which favoured government’s continued involvement in management and operation of the sector, and its proposed efficiency claims associated in private sector participation, resulted in inconsistency between the privatisation debate and the collective bargaining process.

Thirdly, the interpretation of privatisation and industrial relations implications have often reiterated debates on the growing limitation of the market mechanism as automatic regulators and the raising direct or indirect intervention of the state in productive activities. This led to increasing demand on the state due to high service demand, fiscal deficits and related interests (Brada 1996; Bennell 1997; Ferner 1987; Megginson and Netter 2000; Rondinelli and Iacono 1996; Shirley and Nellis 1991; Sobel 1999). These economic and political crises according to Ferner (1987), have encouraged the rollback of state intervention through a
political agenda focused on the question of efficiency and financial viability of public enterprises, with fractional attention on the industrial relations implications. Much of the attention on the interpretation of the political objective to privatise and the unions’ responses have often maintained a direct correlation between the emergence of new management strategy and changes in the collective bargaining framework (Castells 1997; Haworth and Hughes 2000; Zolberg 1995). The transmission of this change process according to Ferner (1987; 1990), is embedded into a political sphere (which is an interplay of actors, their strategies, resources and ideology), which predetermines management-labour relationship and redefines the scope of public enterprise management and the union collective bargaining framework. What tends to differ between countries despite being faced with similar economic concerns is their implementation of these change processes (Ferner 1987; Megginson and Netter 2000; Rondinelli and Iacono 1996; Shirley and Nellis 1991). The study’s interpretation of the privatisation process moved beyond the economic concerns and explored the characterisation of the political appointees who exert these government priorities and policies during the change process and their impact on privatisation and industrial relations responses.

In the Nigerian context, proponents of the privatisation process are ideologically oriented towards a conservative political economy that favours a robust marketplace or the idea of small government with a limited role in the economy. The Ministry of Power centralised the transmission of this political ideology during the initial introduction of the privatisation in the year 1999 with a restrictive stance on industrial relations. The restrictive approach by the Ministry of Power was instead a representation of the historic ideology for political dominance, regional representation, economic development and minimal union involvement that sustained earlier reforms in the sector between the 1940s and 1990s. The ideology evolved during the earlier political debate for the privatisation of the electricity between 2007 and 2010, which saw the state promote consensual collective bargaining, restricted within the political objective to privatise. The introduction of the Task Force on Power (TFP) in 2010 introduced a dual transmission of the political objective with the bargaining framework. These two agencies (two transmission mechanisms of the state) differed in their interpretation of the political objective to privatise to the management and the unions. The Ministry of Power, through its restructuring of the internal labour market and minimal involvement of the union, maintained that the government would privatise with or without the union. Its policy stance which aligned with the historic ideology for political dominance within the collective bargaining framework also supported through the reintroduction of the ‘no-work, no-pay’ legislation to deter union officials from strike actions and avoid stoppages. The Task Force
on Power through its policy repositioning agenda interpreted the political objective differently by initiating a multi-level consultation with employee representatives at the macro and meso levels, in attempt to promote the idea of state-labour partnership which invariably differed from the information from the Ministry. The complexity that emerged within the bargaining process because of this multi-level management framework was not just because of the emergence of new management strategies and changes in industrial relations processes, but the inability of these transmission mechanisms (Ministry of Power and TFP) to make a clear distinction between the political and pragmatic objectives of the privatisation process (Ramanadham 1997). What emerged was a multilevel framework which transmitted mixed management strategies at the macro and meso levels, and further complicated not only the political objective of the privatising state but the unions' responses. Thus, while the unpredictability of the political objective still existed (Ferner 1987), this study argues that the inability of the transmission mechanisms to effectively centralised their management process impacted not just the privatisation processes but the unions' ability to effectively initiate a strategic response to the process. Notably, because while the TFP’s initiated a consensual style of politics that granted concessions to the labour movement to avoid social conflict during the process, the Ministry of Power’s more aggressive and less consensual style on Industrial relations fragmented the trade unions responses. This mixed management framework and the absence of a clear policy position on collective processes at the macro and meso levels, not only restricted the unions' choices but resulted in a Labour Based Agreement that is best described as a rather safe than sorry’ strategy’ (Rodriguez-Ruiz 2015). Therefore rather than interpret the transmission of the political objective to industrial relations, the study argues that within the context of developing countries such as Nigeria, privatisation and union responses involves a multilevel process that is far from conclusive.

Fourthly, the rationale to privatise includes not just the decision, pace and design to privatise or how the underlining political objective of these countries is only communicated (Jamal et al. 2005; Joskow 2001; Newbery, 2002; Rowthorn and Chang 1993), but the distributive effective of the ‘information’ that influenced the policy position. Most governments adopted privatisation as a policy to advance their macroeconomic performances through the reduction of subsidy, fiscal burden and overstaffing challenges that negatively impacted their efficiency (Kikeri and Nellis 2011; Marsh 1991; Megginson and Netter 2001; Parker and Kirkpatrick 2005; Pineau 2002; Rufin et al. 2003). This policy position is in line with the Bretton Woods Institutions (World Bank and the IMF) argument, which assumed a direct link between privatisation and efficiency. The interpretation of the process evolved beyond the earlier
acclaimed ‘success’ for efficiency because of the institutional peculiarities between countries and how they influence the privatisation design, competition and working conditions in the privatised sector (Bangura 2000; Bourguignon and Sepulveda 2009; Rufin et al. 2003; Pineau 2002; Van der Hoeven and Sziracki 1998). The debates on privatisation have questioned the administrative and managerial capacity of the privatising government (Cook 1999; Parker’s 2002), the influence of design and implementation of the privatisation debate (Bennell 1997; Boubakri et al. 2011; Dinc and Gupta 2011), institutional peculiarities (Belkhir and Ben-Nasr 2016; Dyck 2001; Parker 2002; Rufin et al 2003; Schregle 1992; Schulten et al 2008) and union responses (Frost 2011; Kelly 1996; Mackenzie 2009; Martinez Lucio and Stuart 2004; Rodriguez-Ruiz Oscar 2015; Walton et al 1994; White and Janzen 2000). The conclusion is that interpretation of the union’s responses to privatisation and the post-privatisation challenges to unionism is beyond the oversimplified traditional dichotomy between adversarial and cooperation management-labour relationship. This is because the union’s strategy to either confront (job protection) or collaborate (job transition) is dependent not only on the internal characterisation of the unions but its ability to manage both its internal structure and incentives such as partisan competition, union competition and partisan loyalties (Bacon et al. 1996; Pulignano and Stewart 2013; Paczynska 2013) and constraints imposed by institutional interest, political context and alliances (Frost 2001; Hamman 2001; Martinez-Lucio et al. 2000). While these debates suffice in countries with structured industrial relations institutions, the study argued that privatisation and labour relations in sub-Saharan African countries like Nigeria remain underdeveloped because of the historic political constraints, weak labour institutions and substantial political interference in the collective bargaining process. Hence, the need for more rigorous study within such political economy especially to explore the context of the distributional effects of ‘information’ that determines the political objective to privatise, the privatisation processes and the trade unions responses.

This research explored how other factors beyond the underlying political objective to privatise, and the unions' responses influenced the process? This is imperative because while the Nigerian government representatives outlined factors believed to have influenced the review process in the year 2000 by the Electric Power Committee (EPC) and the subsequent privatisation of the Nigerian electricity distribution sector, the issue of data availability and accuracy, which trailed the privatisation was relegated the entire process. The resolution on this data issue by the EPC involved the introduction of a standard 50% Average Technical and Commercial Loss levels across the distribution network. While this centralised policy
stance may have seemed strategic at the implementation phase, the reality was that in post-privatisation and following subsequent review of the companies, some of the distribution companies attained over 70% Average Technical and Commercial Loss levels. This was a 20% gap from the initial data which determined the entire privatisation process and labour agreements. Following this data gap and subsequent funding challenges and bail-outs, the companies resolved to cost-reduction strategies that further constrained not only the implementation of the LBA but also redefined the overall interpretation of privatisation and labour relations. To which the study concludes that while the transmission of the political objective within the collective bargaining framework (Ferner 1987) embedded into a political sphere remains essential, there is need for more rigorous study on the link between the ‘information dynamics’ that determine political objective to privatise, privatisation process and outcomes in industrial relations.

Following challenges with the data discrepancy, institutional constraints, high unemployment and the mixed-communication on the political objective to privatise, the study also challenged the context of a single or two-tier employment relations system between the survivors of the privatisation and the recruits (EIRO 1999; Schulten et al. 2008). The development resonates with the third research question posed in the study: how did the implementation of the LBA vary between companies and why? The initial response to this research question was ‘why did the unions decide to make concessions through the LBA despite the high level of risks for employees? (Rodriguez-Ruiz 2015). The interpretation of this union’s concessions through the LBA should not be summarised only as an indication of its weakness within the partnership but rather as an ‘alternative’. In the Nigerian case, the decision to concede to the government in 2011, was reached because of constraints within the industrial environment such as high unemployment, internal division within the union structure, mixed communication at the macro level, political dominance in the process and the historic political constraints on industrial relations, which play a significant role in the union’s bargaining responses within the TFP partnership framework. The framework of the collective bargaining process that remerged following the Labour Based Agreement reached in 2011, was a combination of the constraints imposed by institutional interest, political context and alliances (Frost 2001; Hamman 2001; Martinez-Lucio et al. 2000) and the unions ‘rather safe than sorry’ strategy to ensure its survival post-privatisation. For the unions, concession through the LBA was not a strategic choice but the only alternative following the push by the Ministry of Power to privatise without any concessions. The unions’ negotiation approach before the 2011 collective agreement, failed to progress beyond its traditional
militant and cooperative approach and explore constraints beyond the employers. A clear indication of its inability to recognise that collective bargaining framework in the public enterprise would not be completely free from political control and interests which is the very reason for their establishment (Feigenbaum 1982; Ferner 1987). The unions attempt to negotiate the LBA and guarantee terms and conditions of employment during and in post-privatisation, failed to achieve its success because they were unable to appreciate and integrate the existing challenges such as the internal union divisions, data deficiency, mixed communication into its survival strategy. The outcome of which led to a multi-level industrial relations outcome between survivors and the recruits within and between companies, to the disadvantage of the former. Therefore, the interpretation of privatisation and the industrial relations outcomes, especially in developing countries, need to move beyond the political and economic drivers to privatise and explore underlining institutional challenges which limit the trade unions responses to the process. Mainly because while privatisation results in the introduction of new management strategies and possible multi-level industrial relations outcomes, the interpretation of the unions' inability to conceptualise a strategic framework is often beyond the political objective of the state.

8.4 Limitations and Notes for Further Research

The study faced certain levels of limitations in the data collection phase in terms of the number of respondents engaged and the number of cases explored. For a sector with eleven distribution companies, the study only engaged with employees in three of the distribution companies, even though the response from zonal and national union representatives provided an overview of industrial relations in the sector. Also, there could have been a certain level of bias in the responses from the respondents due to the working conditions following the privatisation, hence the use of diagram elicitation and multi responses to help reduce the effect of such bias. Finally, the data collection was carried out in 2015, and therefore, there is a possibility of changes within the sector, which may not be represented in this research. For example, in 2015, the union initiated a new campaign to re-establish collective bargaining in the sector; the results of this campaign remained to be seen at the point of completion of fieldwork.

However, the study raised some issues which require further research. First, given that the study was undertaken two years after the unbundled distribution companies were transferred to the private sector, the private investors and the union may have introduced a new dynamic
in the implementation of the industrial relations in the sector. Hence the need for further studies to explore possible changes to the political interest in the privatised sector and its implications on the LBA.

Secondly, the timeframe and the number of cases could be built upon to enhance generalisability of conclusions regarding the industrial relations implications in the sector. During the study, the focus was on three distribution companies located in three regions. However, while there is a need to expand the cases, there is a need to explore the employment relations implications between cases located within the same region to examine if there are possible similarities and differences and why?

Thirdly, there is a need to explore the success of the union’s initial attempt to a strategic collective bargaining framework in 2015, through its survival agenda introduced during this research to explore possible changes to its ideology. This entails the effectiveness of its renegotiation framework between the cases and the possible similarities or differences between the companies.

Finally, there is a need to explore the implementation of the LBA and how the agreement may have evolved in the sector since the introduction of the union’s strategic collective bargaining framework in 2015. The focus is to determine whether the union’s strategic framework for the negotiation of the LBA survived the change in government since 2015, and how?

To conclude, privatisation and the employment relations in the NEDS initially reflected government aspirations for a positive policy change that would improve efficiency in the sector and industrial relations processes. The political influence in the privatisation process and the inability of the union to conceptualise a strategic response to the process resulted in a post-privatisation outcome that allowed for a multi-level industrial relation with a near absence of a collective bargaining process in the privatised sector, which directly contrasted the Labour Based Agreement. The union in 2015, initiated a campaign to re-establish collective bargaining in the sector. Even though its success was yet to be seen at the point of this research, the nature of employment relations in the privatised NEDS sector remains topsy-turvy but gives room for further debate and research.


Purcell, J. (1989) 'The Structure and Function of Personnel Management', in Marginson, P. et al. (Eds.), Beyond the Workplace, Blackwell,


Williamson, J. (2003) ‘*From Reform Agenda to Damaged Brand Name*’, Finance and Development, September


Reforms Matter?, mimeo, Manchester: Centre on Regulation and Competition, Institute for Development Policy and Management, University of Manchester


Internet Sites

Association of Nigerian Electricity Distributors (ANED)

http://www.anedng.com/

Bureau of Public Enterprises (BPE)
https://bpe.gov.ng/
Federal Ministry of Power, Works and Housing (FMPH)

https://www.pwh.gov.ng/index
Federal Ministry of Finance (FMF)

https://finance.gov.ng/
Federal Ministry of Labour and Employment

https://labour.gov.ng/
Nigerian Electricity Regulatory Commission (NERC)

https://www.nercng.org/
National Labour Congress (NLC)

https://www.nlcng.org/
Appendix 1: Management Levels within the Nigerian Electricity Distribution Sector

Government Representatives:
- Electric Power Committee (EPC)
- Public Enterprise Agency (PEA)
- Task Force on Power (TFP)

Minister of Power, Senate Committee on Power

The ZEA National Leadership

Permanent Sec

MD/CEO of Companies

Key Terms:
- GM: General Manager
- ED: Executive Director
- Exec: Executive
- AGM: Assistant General Manager
- HR: Human Resources
- MD/CEO: Managing Director/Chief Executive Officer
- Sec: Secretary
- Ass: Assistant

Regional level

Zonal level

Chapter level

Business unit level

Government

Workers

Workers

Workers

Workers
### Appendix 2: Map of Data Collection during the Fieldwork in Nigeria (31/03/2015 - 30/06/2015)

<table>
<thead>
<tr>
<th>Levels</th>
<th>No of Participants</th>
<th>Method of Data Collection</th>
<th>Location</th>
<th>Qwest Distribution</th>
<th>Exon Distribution</th>
<th>Kank Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Enterprise Agency (PEA)</td>
<td>5</td>
<td>-Semi-structured interviews</td>
<td>Abuja</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Secondary Data</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Power Committee (EPC)</td>
<td>4</td>
<td>-Semi-structured interviews</td>
<td>Abuja</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>-Secondary Data</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Task Force on Power</td>
<td>5</td>
<td>-Semi-structured interviews</td>
<td>Abuja</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>-Secondary Data</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>ZEA National Leadership</td>
<td>7</td>
<td>-Semi-structured interviews</td>
<td>Lagos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Diagram Elicitation</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>-Secondary Data</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company Management (GM, AGM and Executive levels)</td>
<td>8</td>
<td>-Semi-structured interviews</td>
<td>Buja, Middle-Belt, Southern Regions</td>
<td>10</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Local union representatives (Chapter level)</td>
<td>-Semi-structured interviews -Diagram Elicitation -Secondary Data</td>
<td>Buja, Middle-Belt, Southern Regions</td>
<td>9</td>
<td>7</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Employees (Survivors, new recruits and fixed contracts)</td>
<td>-Semi-structured interviews -Diagram Elicitation -Secondary Data</td>
<td>Buja, Middle-Belt, Southern Regions</td>
<td>11</td>
<td>13</td>
<td>15</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3: Diagram Elicitation Presentations by Respondents

Diagram Elicitation Presentations by Respondents in Exon Distribution

- Level of Collective bargaining

- Condition of Service in the company
Diagram Elicitation Presentations by Respondents in Qwest Distribution

- The Interpretation of Collective Bargaining

- The Stress Level in the Company
• Level of Skill Development

Hopeless case!
No clear cut decision on self-skills development. Any such move is at staff's wish.
Diagram Elicitation Presentations by Respondents in Qwest Distribution

- The Interpretation of Collective bargaining

- Level of Skill Development