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The Practice of Casualisation and Outsourcing of Labour in the Banking Sector

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Abstract

Over the past few years, the Nigerian labour industry has evolved greatly, with a shift from the standard form of employment to a more flexible pattern. The trajectory of the labour market and its move towards flexibility has rather made the practice in the labour industry complicit and an area which is deserving of attention from all stakeholders. This is due to the gradual slide from the traditional full-time employment to the contracted and outsourced form of employment. This form of employment has gained prominence and recognition, particularly in the banking sector which is the core area of this study. It has introduced an unfair practice of labour in this sector and in the economy of Nigeria at large as against the context of the international labour standards. Casualisation and outsourcing of labour have been identified as a global phenomenon, which has necessitated a comparative analysis of its practice and its legal response in Nigeria to that of other countries, such as the United Kingdom and India. This study examines the legal framework in these countries on casualisation and outsourcing of labour and brings to forbear the factual existence of economic liberalisation and privatisation which are necessary factors for economic development as primary indices of these practices.

Keywords: Casual labour, Outsourcing, Labour law, Trade Union, Collective bargaining

Introduction

The practice of casual and outsourced labour is argued to have been around in all ages and is practiced everywhere around the world. It was made popular by small businesses that were unable to take up large employees. The term contract or casual labour was first used in Britain in the 1920s by a government enquiry set up to investigate the practices of dock workers. The origin of the concept of casual labour or its historical foundation is still uncertain.¹ The concept at the time was introduced for unskilled workers, but what we have seen in recent times is that both semi-skilled and skilled workers are also engaged on contract or casual basis. Some social analysts have argued that the emergence of new technology, political interference, globalisation and trade liberalisation have been the driving factors of contract and outsourcing of labour. Thus, employment relationships have continued to be impacted by trade liberalisation, with cost cutting and profit making remaining the major priority of employers.²

In Nigeria, the history of casualisation and outsourcing of workers dates to the 1980s under the leadership of General Ibrahim Badamosi Babangida, the then Military Head of State. The International Monetary Fund (IMF) prescribed the neo-liberal ideology Structural Adjustment Programme (SAP) to the Nigerian leadership, which unfortunately was embraced. The IMF sold this idea as a moral obligation on human organisations with the major aim of maximizing cost advantage in the labour market for employers.³ Unfortunately, for Nigeria the introduction of this programme in the late 1980s has continued to cause hardship on Nigerians. Industries in Nigeria after the introduction of the SAP became saturated with casual workers especially within the informal sector with all rights accruing to permanent workers lost. These employees now include both skilled and unskilled workers. The permanent employees work under standard employment relationship, with all the attendant benefits, like continuity of employment, health benefit, huge salary, good working conditions, annual leave and other employment benefits. However, same

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¹ B BGafar, O Afolabi and B A Taiwo, "Modernisation or Modern Slavery: The Concept of Casual/Contract Labour and the Dilemma of Economic Growth in Nigeria" (2020) (4)(2) *ARC Journal of Addiction* 17.

² Gafar, Afolabi and Taiwo (n 1).

³ *Ibid.*

cannot be said for casual or outsourced workers who endure all forms of inhumane and dehumanising treatment from the hands of their employers just to put food on their table.⁴

Casualisation and Outsourcing

According to the Black's Law Dictionary, casual work is employment at uncertain or irregular times; it is a short time and limited employment. The employment, therefore, is for temporary purposes. Employees that work as casual workers do not receive seniority rights, and are not entitled to any form of benefits. By statute in many countries, such employment may or may not be subject to workers' compensation. Whether or not they will be compensated is usually at the discretion of their employer.⁵

The International Labour Organisation (ILO) also highlighted that, casual workers are workers who have explicit or implicit contract of employment which is not expected to continue for more than a short period, whose duration is to be determined by natural circumstances.⁶ This definition is ambiguous and limited in scope as it does not specifically make reference to what amounts to natural circumstances, short duration and the rights of workers. The above ambiguity has led to varying definitions of casual workers.

Rojot describes casualisation as involving the altering of working practices so that regular workers are re-employed on short term basis.⁷ Danesi gave a more nuanced definition of casualisation when she posited that casualisation is a term used in Nigeria to explain work arrangements that are characterized by poor conditions like job insecurity, low wage, and lack of employment benefits that are available to regular employees as well as the right to organize and collectively bargain.⁸ Also, workers in this form of work setting can be fired at any time without notice and are not entitled to redundancy pay. Hence, it is an unprotected form of employment

⁴ *Ibid.*

⁵ H C Black, *Black's Law Dictionary* (6thEdn, West Publishing Co, 2004) 218.

⁶ ILO International Labour Office, 'Bulletin of Labour Statistics' (1993) in R A Danesi, 'Labour Standards and the Flexible Workforce: Casualisation of Labour under the Nigeria Labour Laws' *Lecture in Law and Industrial Relations, University of Lagos*, (Akoka-Lagos 2001) 2.

⁷ A Rojot, 'Statistics for Growth in Contract and Casual Labour in Working Time in Industrialised Countries; The Recent Evolution' *Comparative Labour Law and Industrial Relations in Industrialised Market Economies* (7thedn, 1998) 452.

⁸ AR Danesi, 'Labour Standards and the Flexible Workforce: Casualisation of Labour Under the Nigerian Labour Laws' <http://www.ilera_directory.org/15thworldcongress/files/papers/Track_4/Poster/CSIW_32_danesi.pdf> accessed 23 December 2023.

because it does not enjoy the statutory protection available to permanent employees.⁹ Words like contingent workers, part time workers, non-standard worker, informal worker, dispensable workers, precarious worker, contract staff and non-core workers have all been used interchangeably to describe who a casual worker is.

The provision in Section 73 of Employees Compensation Act¹⁰ has cleared the ambiguity and has given a clear definition of who a casual worker is when it provided thus:

A person employed by an employer under an oral or written contract of employment whether on a continuous, part time, temporary, apprenticeship or on casual basis and includes a domestic servant who is not a member of the employer's family, including any person employed in the Federal, State and Local Government, and any of the government agencies and in the formal and informal sectors of the economy.

It can be argued that even though there is no statutory protection for casual workers under the various laws, the definition in section 73 of the Employees Compensation Act can be relied upon in determining the rights and benefits of casual workers in Nigeria. An employee according to this definition can be viewed as the staff of the employer, notwithstanding the nature of his employment. This definition has been pronounced upon by the courts in Nigeria. The National Industrial Court in the case of *Abel v Treri Foundation Nig Ltd*,¹¹ held that an employee who is engaged as a “contract staff” is entitled to compensation for injuries sustained in course of his employment. It further held that the definition of who is an employee has been extended widely by the Employee's Compensation Act to include persons engaged on temporarily basis.

In the case of *Owena Mass Transportation Co. Ltd v Okonogbo*¹², the Court of Appeal stated that traditionally, casual labour has to do with work conducted for a specific period of time during peak business periods when persons are called upon to supplement full-time staff in order to meet up with market demands. The Court further posited that legally, a casual employee is a worker engaged for a period of less than six months and who is paid at the end of each day.¹³

⁹ *Ibid.*

¹⁰ Employees Compensation Act, 2010.

¹¹ *Digest Judgment of National Industrial Court* (2014), 288-289.

¹² (2018) LPELR-45221 (CA) 17-20 paras E – A.

¹³ *Ibid.*

Casual work is viewed today as a kind of job that attracts hourly pay without any other form of benefit that applies to regular workers, such as the right to notice, the right to severance pay and most forms of paid leave. The Court further identified losses suffered by casual employees to include abysmal low wages; absence of medical care allowances; no job security or promotion at work; no pension or gratuity and other severance benefits; no leave or leave allowance, freedom of association; lack of death benefits, accident insurance at work; no negotiation or collective bargaining agreement, health and life insurance schemes, transportation and leave entitlements. Sadly too, casual workers remain casual workers for many years without promotion and the necessary entitlements. The court has also advised that an employee engaged as a casual worker must be aware from the onset of the type of employment to enable him make an informed decision.¹⁴

On the other hand, outsourcing is an acronym from the American terminology “outside resources” which means to use external sources.¹⁵ It is the transfer of tasks, projects, duties and processes to an external company. Outsourcing is viewed mainly as a business strategy, which brings benefits to the receiving company; however, the effects of this phenomenon have been recognised.¹⁶ In simple terms, outsourcing refers to a company or business venture’s use of external workers for the execution of certain specific tasks. The common practice in most organisations presently is that most of the jobs are outsourced except the managerial positions and few sensitive offices. It has been noted overtime that the primary reason for outsourcing by these companies is simply to cut cost. The outsourced workers are not staff of the company; hence they are not entitled to benefits that accrue to staff of the company. In Nigeria for instance, outsourcing explains why there exists agencies and business outfits mainly for the provision of labour which services many companies. It is not uncommon to find large companies contacting these agencies (outsourcing companies) to provide workers to execute certain tasks. By the doctrine of privity of contract, where issues arise, the workers deal directly with the agencies, thus shielding the actual employers from any form of liability. The popular practice in most firms

¹⁴ *Owena Mass Transportation Co. Ltd v Okonogbo* (2018) LPELR-45221 (CA) 17-20 para-E – A.

¹⁵ V A Troaca and D A Bodislav, ‘Outsourcing: The Concept’ (2012) (29) (6) *Theoretical and Applied Economics* 51.

¹⁶ *Ibid.*

is to cut the number of permanent employees and replace them with workers from these outsourcing agencies.¹⁷

Employers that hire workers indirectly through outsourcing or labour agencies exercise managerial control, including the authority to hire and fire, but when it comes to conditions of pay and benefits, insurance, workplace injuries and so on, they are quick to deny any responsibility as employers.

Casualisation and Outsourcing of Labour in the Banking Sector

The practice of casual and outsourced labour has become prevalent in virtually all the sectors in Nigeria. The financial institutions also engage in hiring of contract and outsourced staff from agencies and firms. The introduction of this practice in the financial sector has also adversely affected employees, both the skilled and unskilled. It is the case that financial institutions are flooded with workers from all disciplines and backgrounds, without the basic training and discipline in finance related issues, and these institutions do not engage in training of staff to ensure that their jobs are efficiently carried out in line with the job ethics. A lot of the contractors that most financial institutions engage for this purpose are mostly responsible for this growing trend and same is having a negative impact on the financial sector. In 2022 the Minister of Labour and Employment introduced a Guideline on Labour Administration Issues in Contract Staffing/Outsourcing, Non-Permanent Workers in Banks, Insurance and Financial Institutions, prescribed pursuant to the extant provisions of the Labour Act. The introduction of the Guidelines is perceived to be necessary to facilitate the operations of the Labour Act as contemplated by the Act itself. The Guidelines commenced by defining who the parties contemplated in the Guidelines are. A permanent worker according to the Guidelines is an employee who is directly employed and remunerated by the principal. A non-permanent worker, on the other hand, is any employee that is supplied or outsourced by a labour recruiter or a third party to a principal while the principal is all Nigerian employers in Banks, Insurance and Allied Institutions. More instructively, a Labour recruiter is an institution registered to offer labour recruitment service.¹⁸ According to the Guidelines, entry requirement is to be determined by the

¹⁷ *Ibid.*

¹⁸ Guidelines on Labour Administration Issues in Contract Staffing/Outsourcing Non-Permanent Workers in Banks, Insurance and Financial Institutions, Part 1.

hiring organisation in line with the best practice, obtainable in the industry.¹⁹ Minimum wage pay is to be determined by stakeholders which are made up of the principal companies, labour recruiters and the union.²⁰

The Guidelines advocates for an opportunity for self-development and career path in the industry through one of two ways: an annual salary increase for all categories of employees²¹ and an opportunity for career advancement/promotion within two years but not later than three years.²² Casual workers can also be employed on permanent basis where vacancies exist in the company in line with the principal's recruitment standard.²³ This approach is best because it gives casual workers within the company the first privilege to convert to permanent workers as long as they are qualified, without having to compete with other individuals from outside the organisation. An innovation in the financial Guidelines is the provision of disciplinary procedures. In any disciplinary procedure, the employee's right to fair hearing is crucial.²⁴ During a labour recruiter's committee disciplinary hearing against an employee, a union representative will be present.²⁵ Where the employee is subject of the principal disciplinary committee either as a witness or a suspect, a representative of both the labour recruiter and the union are to be present just to ensure fair hearing.²⁶

The Guidelines places the responsibility of monitoring the relationship between labour recruiters and their employees on government agencies and principals to ensure compliance of labour recruiters with national labour laws and ILO core standards.²⁷ All labour recruiters are to obtain a recruiter's licence, it is therefore an offence for a principal to deal with a contractor without a recruiter's licence.²⁸ The Guideline failed to state where the recruiters licence should be obtained from or the organisation that issues them. It also fails to state the parameters for issuing such licence to the labour contractors. It should be clearly stated that the financial sector and its institutions are key in any economy, especially a growing economy like Nigeria. Hence, it is

¹⁹ Guidelines, 2.1.

²⁰ *Ibid.*

²¹ *Ibid*, 3.1.

²² *Ibid*, 3.2.

²³ *Ibid*, 3.3.

²⁴ Guidelines, 7.1.

²⁵ *Ibid*, 7.2.

²⁶ *Ibid*, 7.3.

²⁷ *Ibid*, 8.3.

²⁸ *Ibid*, 8.4.

imperative that qualified individuals be recruited by the labour recruiters so that these institutions can be properly manned. Institutions of this nature cannot afford to slaughter professionalism at the expense of cheap labour or cost cutting which are the major driving force of casualisation and outsourcing of workers. In instances where the labour recruiter fails to comply with labour law legislations and other national laws, that alone is sufficient ground to terminate such contract by the principal.²⁹ The exit procedures of employees from the employ of the labour recruiters shall be subject to the agreement between the parties and trade unions in the banking, insurance and financial institution sector.³⁰

The Guidelines is silent on core and non-core jobs within the financial sector unlike what is obtainable in the oil and gas sector guidelines. This silence could simply imply that all jobs within the financial sector can be outsourced. This, on its own, is a dangerous trend for the economy, and leaves the populace at the mercy of these institutions that are profit driven. Most financial institutions can leverage on this fact and decide to outsource areas that might qualify as core areas. The Guidelines was also silent on what happens when the contractor is in default of payment of workers' salaries, perhaps because of the implication it might have in deciding who the employer of the worker is. The labour law only addresses the right of the employee in a bilateral contract and not in a triangular contract like outsourcing.

Unionism and Casualisation of Labour in Nigeria

Section 40 of the Constitution guarantees the right to freedom of association including the right to belong to a trade union. In the same vein, section 12 of the Trade Union Act also allows workers whether casual or permanent to be members of trade unions of their choice without any form of discrimination. Unfortunately, most institutions and organisation often tend to derogate from the provision of the Constitution and other extant laws with respect to casual workers.

The Guideline on financial institution also reinforces this position that contract staff should be allowed to unionize in paragraph 4. Based on this Guidelines and decided authorities, it is perhaps safe to assume that the era of denying casual workers representational right is now a thing of the past. All non-permanent workers in the financial institutions are to belong to the

²⁹ *Ibid*, 8.5.

³⁰ *Ibid*, 9.1.

National Union of Banks, Insurance and Financial Institutions (NUBIFIE) or the Association of Senior Staff of Banks, Insurance and Financial Institutions (ASSBIFI) as appropriate.

Furthermore, the International Labour Convention on Freedom of Association and Protection of the Right to Organise and International Labour Organisation on the Right to Organise and Collectively Bargain having been ratified by Nigeria also guarantee the right of workers to be members of trade union and bargain collectively. The Court has made it categorically clear in *Patovilki Industrial Planners v National Union of Hotels and Personal Services Workers*³¹ that it is unconstitutional for workers to be denied the right to join a trade union on the ground that they are temporary workers.

Legal Implication of Casualisation and Outsourcing of Labour in Nigeria

Casualisation and outsourcing of labour is like every other work arrangement that there ever can be, as has been referenced above; both the ILO and our courts have recognised its existence as part of a work arrangement that can exist within any given society. This study evaluates these types of work arrangement as practiced in Nigeria to ascertain whether it passes the test of legality. It should be noted that the ILO have observed that under the contract staffing arrangement which has become widely spread, most of the contractors that hire, recruit or employ labour for end users are often small enterprises with no economic security. As such they do not provide satisfactory work condition for their employees or the appropriate social benefits they deserve.³² The result is poor working conditions, lack of health and safety measures and of course poor remuneration for workers. It is worthy of note that the Guidelines did not provide for the qualifications or things that contractors must have to qualify to be employers of labour. The well-being of every Nigerian worker is a constitutional matter,³³ therefore it is one that should be taken seriously. Unfortunately, the current Labour Act which is the principal legislation for labour governance failed to include casual workers in its definition of who a worker is. That on its own does not speak well of our labour law regime, hence we will fall back to the Constitution to look at the provisions as it concerns workers and what is expected of employers of labour and of course the rights and protection that accrues to these workers. Generally labour related matters

³¹ NIC/12/89 *Digest of Judgments of National Industrial Court* (1978 – 2006) 288 – 289.

³² ILO Report 40.

³³ Constitution of the Federal Republic of Nigeria 1999 (as amended), Cap C23, Laws of the Federation of Nigeria 2004, as amended, s 16 (1) (b),(d).

are matters within the domain of the Federal government; however, the States are given leeway in certain areas to legislate.

Section 17 (3) of the Constitution of the Federal Republic of Nigeria makes specific provisions on the duty of the state to her citizens as it concerns their basic welfare and general condition of work. Folarin argued that section 254C (1) (f) and (h) of the third alteration extends the meaning of section 17 of the Constitution.³⁴ He argues that it provides a social right to compete for work at an equal level and a right to believe that certain types of work are not reserved for some set of persons exclusively other than on the grounds of qualification, ability or experience. It also guarantees the freedom to perform work of one's own choice, freely irrespective of membership of a trade union and protects those who have suitable jobs from losing them except for a valid reason.³⁵ What this means is that the employer can no longer hire and fire as he please, proper records leading to the termination of the employee's employment has to be kept in order to prove same when the need arises. By this, employees are not immune from being fired where they are found wanting rather it is to encourage employers to follow due process in dealing with erring employees.³⁶ The Court has affirmed that this applies to all types of employment when it held in the case of *Aloysius v Diamond Bank PLC*³⁷ that the termination of employment must be for a valid reason even for an employee whose employment does not have a statutory flavour. Again, before an employee is dismissed from his place of work such an employee must be accorded fair hearing according to the provision of section 36 of the Constitution. The Court held in *University of Calabar v Essien*³⁸ that where the appointment of an employee was terminated on grounds of misconduct, it behoves on the employer in justifying his actions to show that such employee was informed of such allegation, and he was afforded fair hearing on the matter.³⁹

Section 40 of the Constitution also provides that every person shall be entitled to assemble freely and associate. This provision is very explicit in what it provides, and because it falls under chapter four of the Constitution it is **non-justiciable** and forms part of the civil and political right of citizens. Hence it must be obeyed and adequately enforced by all authorities.

³⁴ P H Folarin, 'The Workplace and Constitutionalism in Nigeria' (12) *U I Law Journal* 294.

³⁵*Ibid.*

³⁶*Ibid*

³⁷ (2015) 58 NLLR (Pt.199) 92.

³⁸ (1996)10 NWLR (Pt 477) 225, 262.

³⁹*Ibid.*

The Constitution of Nigeria clothes the National Industrial Court (NIC) with jurisdiction to entertain matters relating to or connected with unfair labour practices or international best practices in labour employment and industrial relation matters; relating to or connected with or pertaining to the application or interpretation of international standards; or any matter or issue connected with or pertaining to the application of any international convention, treaty or protocol of which Nigeria has ratified relating to labour, employment, workplace, industrial relation or matters connected therewith.⁴⁰ Furthermore the National Industrial Court Act 2006 provides that the National Industrial Court in exercising its jurisdiction on any power conferred upon it by the Act or any other law, shall have due regard for international best practices in labour or industrial relations and what constitutes good or international best practice in labour or industrial relation is a question of fact.⁴¹

The National Industrial Court of Nigeria has answered questions of the triangular employment relationships in several of its judgments. Privity of contract is a known principle of law that presupposes that only parties to a signed contract can sue and be sued with respect to terms of the said contract. What this means is that a person who is not a party to a contract does not have any power or *locus standi* to enforce such contract except where it has been established by the Court that the agent or intermediary is an agent or employee of the end user.⁴² When it comes to triangular employment relationship, it is worthy of note that the National Industrial Court has recognised same as an employment relationship, because the practice of outsourcing is no longer strange to the Nigerian labour law jurisprudence because of its rampant nature.⁴³ Employees of the subsidiary companies do not have valid claims against the parent companies because of the privity of contract rule. However, because of the rampant nature of the triangular employment relationship in Nigeria that has now been embraced by multinational organisations and other large corporations, judicial intervention became imperative so as to protect the rights of the very vulnerable employees.⁴⁴ The courts still uphold the principle of privity of contract but have also

⁴⁰ Constitution of the Federal Republic of Nigeria 1999 (as amended by the Third Alteration Act 2010) s 245C(1)(f)(h) and (2).

⁴¹ National Industrial Act; section 7(6).

⁴² *Engineer Ignatius Ugwoke v Aeromaritime (Nigeria) Limited* Unreported Suit No: NICN /LA/482/2013 judgment delivered on 30 November 2016.

⁴³ *Stephen Ayaogo & 16 Others v Mobil Producing Nigeria Unlimited & Another* (2013) 30 NLLR.

⁴⁴ T Krukru and D Seth-Nzor 'Innovative NICN Judgments could Rewrite Labour Law Jurisprudence' (2021) *Lexology* <<https://www.lexology.com/library/detail.aspx?g=6ab96964-bc9e-4b8d-a32c-42813ed91929>> accessed 13 May 2024.

been very gracious to subject it to certain exceptions on a case by case basis. The courts in deciding who the real employer is in a triangular employment relationship usually look at who performs the employer responsibilities; this is often determined by the facts. The courts have employed the co-employer principle in several instances, this is a situation where both the end user and the contractor are seen as the employers of the employee. The triangular relationship presupposes a civil and commercial contract between the user and the provider (???)⁴⁵ of labour) or contractor. However, it is possible that in some instances such contract does not exist and the provider might just be acting as an intermediary of the end user with the aim of masking the organisation's real identity.⁴⁵

In *Stephen Ayaogo & 16 Others v Mobil Producing Nigeria Unlimited & Another*,⁴⁶ the end user instructed that an employee be sacked. The court held that both the provider/contractor and end user were co-employers, therefore the employee was entitled to choose any one of them as his employer. This position was also affirmed *Oyewumi Oyetao v Zenith Bank Plc.*⁴⁷ Furthermore, it has been held that where the direct employer is seen as the agent of the end user, the courts will treat both companies as one.⁴⁸

Casualisation and Outsourcing of Labour in Other Jurisdictions

United Kingdom

The practice of casualisation and outsourcing of labour was not always as widespread as it has become in recent time within the workforce, in fact casualisation at the time was common among unskilled workers and so was an exception.⁴⁹ A wave of unskilled dock workers called 'New Unionist' emerged, which later formed the Labour Party in the United Kingdom. Unskilled workers engaged in manual labour was rampant at the time while temporary work arrangement

⁴⁵ ILO Report, 38.

⁴⁶ (2013) 30 NLLR.

⁴⁷ (2012) 29 NLLR (Pt 84) 370 (NIC); *Olalekan Kehinde & Anor v Airtel Nigeria Ltd & Anor* Suit No: NICN/LA/453/2012: Unreported judgment of Hon. Justice B. B. Kanyip, delivered December 13, 2016 cited in I Wilson, O Akpaibo and M Mamman-Odey, 'Guidelines on Labour Outsourcing: A Guide to Best Practices in Nigeria?' (2022) *Templars* 1 <<https://www.templars-law.com/app/uploads/2022/12/Guidelines-on-Labour-Outsourcing.pdf>> accessed 11 May 2024.

⁴⁸ *Mr. Morrison Owupele Inimgba v Integrated Corporate Services Ltd & Anor* [2015] 57 NLLR (Pt 195) 268 (NIC).

⁴⁹ *Union Comunista Internacionalista*, 'Britain- The Resistible Rise of Casualisation' <<https://www.comunist-union.org/es/2017-10/britain-the-resistible-rise-of-casualisation-4873>> accessed 1 June 2024.

in the textile, coal mines, steel and iron mills industries were sky rocketing.⁵⁰ Employers paid workers cash for services rendered without any form of job security and no structure around specific tasks. Incessant strikes during this period were as a result of low pay and issues around the safety and dignity of these workers. These incessant strikes were often met with violence and the successful ones barely scratched the surface to sustain worker organisation.⁵¹

One would have thought that employee and worker are words to be used interchangeably, however under the Employment Rights Act 1996 both employee and worker were defined differently. An employee under the Act is defined as any individual who has entered into or works under (or, where the employment has ceased, worked under) a contract of employment.⁵² A worker on the other hand is an individual who has entered into or works under (or, where the employment has cease, worked under) a contract of employment or any other contract, whether express or implied and (if it is express) whether oral or in writing, whereby the individual undertakes to do or perform personally any work or services for another party to the contract whose status is not by virtue of the contract that of a client or customer of any profession or business undertaking carried on by the individual.⁵³ Contract of employment means a contract of service or apprenticeship, whether express or implied, and (if it is express) whether or in writing.⁵⁴ The notable difference between a worker and an employee according to the Act is that for a worker the contract of employment can either be express or implied on one hand and where it is express it can either take a written form or be made orally.

The casual or contract staff falls under the category of who a worker is under the United Kingdom legislation. When a worker begins an employment, it is expected of the employer to give the worker a written statement of particulars of employment in a single document stating the names of the employer, date of employment, scale of remuneration among other information⁵⁵

⁵⁰ D Silver, 'Back to the Future- Casualised Labour, Innovation and the Future of Work' (UCL IIPP Blog August 15, 2019) <<https://medium.com/iipp-blog/back-to-the-future-casualised-labour-innovation-and-the-future-of-work-8a0e5238b1ab>> accessed 28 May, 2024.

⁵¹ *Ibid.*

⁵² Employment Rights Act 1996, s 230(1).

⁵³ *Ibid.*, s 230(3).

⁵⁴ *Ibid.*, s 230(2).

⁵⁵ *Ibid.*, s 1.

Unauthorised deductions shall not be made from the remuneration of the worker except those specified in the contract of employment or required by statute.⁵⁶ When an unauthorised deduction is made, a worker can complain to the employment tribunal which is mandated to listen to such complaint if it is brought within the period of three months. The tribunal will not consider a complaint unless it is presented before the end of the period of three months. The tribunal, if satisfied that it was not reasonably practicable for the complaint to be brought within the period of three months, may consider still such complaint.⁵⁷ There is also a zero hour contract, which has to do with a contract of employment or other worker's contract where the worker undertakes to do or perform work or services, but undertakes to do so conditionally on the employer making work or services available to the worker, without any guarantee that such work or services will be made available to the worker.⁵⁸

Even in the United Kingdom there is an outcry against casualisation of the workforce in all its forms because of the untold hardship it brings on workers. The United Kingdom since 2008 continues to experience increase in casualisation of labour such as self-employment, agency workers, and part time workers.⁵⁹ It has been posited that the boast of government during the Tory Party administration under Theresa May of the about 75.3% employment growth was accompanied by low paid jobs, which could hardly provide workers with enough to live a decent life.⁶⁰ These casual forms of employment have extended to virtually all sectors of the British economy with the NHS as the main casualty. Casualisation has been described as a choice by investors and entrepreneurs to dodge laws that exist to protect workers. Over the years, the British government has introduced several programs which it claims is being set up to improve the welfare of workers, but often empowered employers to exploit workers for cheap labour. In fact, the Youth Training Scheme introduced by the Thatcher led Tory administration was referred to as a punitive program, because the program targeted school leavers who were offered

⁵⁶*Ibid*, s 13.

⁵⁷*Ibid*, s 23.

⁵⁸ Employment Rights Act 1996 s 27A(1)

⁵⁹Silver (n 50).

⁶⁰*Union Comunista Internacionalista*, 'Britain- The Resistible Rise of Casualisation' <<https://www.comunist-union.org/es/2017-10/britain-the-resistible-rise-of-casualisation-4873>> accessed 1 June 2024.

on the job poorly paid training programs. The trainings were not even closely monitored to know how efficient they were to improve their skills.⁶¹

Unfortunately, labour unions became even weaker as compared to the militancy approach by their counterparts during the pre-world war era. It has been argued that successive UK governments continue to make bad labour policies that favour the capitalists against workers.⁶² Under Blair's administration the number of subcontracting firms and temporary agencies increased astronomically and 10% of local government workers were placed on short term contracts. Over 19,000 teachers at the time were supplied by agencies and the health sector was the biggest casualty as more employment agencies like Nestor controlled around 18% of the health and care worker labour market.⁶³ Even more prevalent is the zero-hour working arrangement; a working arrangement that does not provide any form of guarantee as to the number of work hour a worker has to engage in. The number of workers on this work arrangement since 2007 has risen from 166,000 to 883,000 which is almost 2% of the entire workforce.⁶⁴ Working conditions for certain workers in the United Kingdom continues to deteriorate. Even with the equal pay EU Directives, employers have found loopholes to circumvent the process for their business benefit.

The self-employed category of workers is another set of workers that have continued to be exploited. The name often is deceitful because this class of workers is not necessarily the wealthy ones but provide services for those who hire them independently. They are not entitled to sick pay, paid holidays, and pensions which they normally will be entitled to if they were employed.⁶⁵ Also, because of the cut in working hours by the UK government with the claim that it is geared towards saving jobs, there are still shortcomings as more people now have to work for extra hours, while others work overtime. Even more pathetic is the fact that some people are working two jobs and more just to make ends meet.⁶⁶

⁶¹*Ibid.*

⁶²*Ibid.*

⁶³*Ibid.*

⁶⁴*Union ComunistaInternacionalista* (n 60).

⁶⁵*Ibid.*

⁶⁶*Ibid.*

India

Workers and trade unions at many times in India, like the United Kingdom, resisted the casual work arrangement because of the unintended consequences on workers. Labour laws were used as a shield for the unionist and workers; therefore, whenever reforms that attempt to liberalise them are to be introduced, they are often met with stiff resistance. Unfortunately, the transition of India to a market-oriented economy encouraged the proliferation of non-standard and informal employment relationship that has now eroded the quality of employment in India.⁶⁷ Despite decades of economic growth, contractualised and casualised work arrangement that is largely unregulated became the new normal in India. This trend could be attributed to employers' quest to circumvent labour regulations, deny benefits of employment, and reduce the right of workers. Like in Nigeria and the United Kingdom, the Indian State in promoting liberalisation provided an enabling environment for this form of employment to thrive.⁶⁸ During the corona virus pandemic era in 2020, there was an attempt to suspend all labour regulations, which failed because of protest and legal challenges that ensued. This of course was viewed by the state as hindering certain objectives of economic development.⁶⁹

The attempt to simplify and rationalise Indian labour legislation by *Bharatiya Janata Party* (BJP) led coalition has come under heavy criticism, as many have argued that it took workers back to the dark ages. The administration came up with four different Labour Codes that merged several legislations. The Code on Wages combined four labour laws, Code on Industrial Relations combined three laws, and Code on Social Security combined eight laws, while the Code on Occupational Safety and Health combined thirteen laws. The Labour Code on Wages enacted in 2019 during the pandemic, codified all four wage related laws in India, namely, Minimum Wages Act 1948, Payment of Wages Act 1936, Equal Remuneration Act 1976, and the Payment of Bonus Act 1965. Even though this codification is being celebrated in some quarters, Jayaram⁷⁰ has argued that the Wages Code omitted or watered down the critical provisions of the previous legislations. Unfortunately, the wage crisis ongoing in India mostly affects the livelihood of

⁶⁷S P Jose, 'India's Labour Reforms- The Informalisation of Work and Growth of Semi Formal Employment' (2022) *Research Gate* <<https://www.researgate.net/publication/365362175>> accessed 4 June 2024.

⁶⁸Jose (n 67). *Ibid.*

⁶⁹*Ibid.*

⁷⁰N Jayaram, 'Protection of Workers' Wages in India: An Analysis of the Labour Code on Wages, 2019' (2019) (54) (49) *Economic & Political Weekly* <<https://www.epw.in/index.php/engage/article/protection-workers-wages-india-labour-wage-code>> accessed 4 June 2024.

those found in the informal labour population. Jayaram argued that both urban and rural wage growth has declined in recent years even though there is an increase in labour productivity in India according to ILO report of 2018.⁷¹ One in three wage workers' are not protected by the minimum wage law, because the enforcement mechanisms of workers' wages are faulty, and the casual workers represent two-third of these wage workers and they are also the poorest and the most vulnerable sections of the country.⁷² The intention of the government was not labour friendly no matter how it made it seem because trade unions and workers were never involved while drafting the Codes that seek to regulate their activities. Even when their input was solicited for subsequently, it was viewed as only lip-service to tripartism as the core demands of labour were rebuffed.⁷³ The support of the ILO towards the reforms and deregulation that is ongoing in India has been decried, especially because virtually all trade unions in the country are in stiff opposition against it.⁷⁴

As the State of India transitioned, many non-agricultural employments were mainly non-standard work arrangement, especially the use of contract staff. The use of Contract staff in India was identified as far back as 1946 by the Labour Investigation Committee as one which disadvantage are numerous. This work arrangement as identified by the Committee aids employers to escape certain provisions of the Labour Acts and makes it difficult for those that administer the law to have control over the system.⁷⁵ With the setting up of the First National Commission on Labour in the 1960's and the Contract Labour (Regulation and Abolition) Act 1971, it was hoped that by fixing employer obligation and levelling of working conditions through enactments would lead to improvement and subsequent abolition of contract staffing. This never happened.⁷⁶

The private sector in India started experiencing a rapid shift from the formal form of employment pattern to casual and contract forms of employment in 1991 as a result of economic liberalisation. Some of the explanations for these changes include restrictive employment regulations and arduous compliance for employers, dynamics of globalised supply chains and

⁷¹*Ibid.*

⁷²*Ibid.*

⁷³*Ibid.*

⁷⁴ Jayaram (n 63).

⁷⁵ Jose (n 67).

⁷⁶*Ibid.*

market and attempts to crush unionism.⁷⁷ It should be noted that the public sector has also witnessed astronomical increase in the number of contract or non-regular forms of employment. Such workers from statistics now constitute well over a third of the total number of employments in this sector.⁷⁸ This development showcases how informalisation and contractualisation are linked more to reducing labour cost and countering unionisation and organisation of workers; because for the public sector marginal costs of compliance are minimal. An underlying sociological explanation proffered for this is that by introducing fragmentation and expanding the sanctions that may be used in disciplining workers, employers are allowed greater control over production.⁷⁹ It has been posited that despotism, arbitrariness and discrimination, exploitation and harassments in the workplace are some of the dangers of the non-regular and informal forms of employment.

Conclusion

It is pertinent to state that Nigeria as a Nation is blessed with a large workforce due to the population, which is over two hundred million people, and comprises mainly of young people. Unfortunately, big conglomerations and multinational companies aided by International Organisations have continued to exploit the workforce and the International Labour Organisation is now perceived to be too weak to do anything about the condition of workers around the world.

Recommendations

In order to curb the continuous peril and hardship caused by the proliferation of casualisation and outsourcing of labour in Nigeria, this paper recommends the following:

Amendment of the Labour Act 2004

The Labour Act of 2004 which is the principal legislation that governs labour relations in Nigeria should be amended to reflect the realities of time and to provide for casual workers with a view to safeguard their rights.

Protection of Workers

There should be clearly spelt out provisions in our laws for the different protections afforded to different categories of workers and what the expectations are for employers that will engage

⁷⁷*Ibid.*

⁷⁸*Ibid.*

⁷⁹*Ibid.*

these workers. Contracts of employment should be largely regulated by legislation rather than by agreement of parties.

Responsive Government

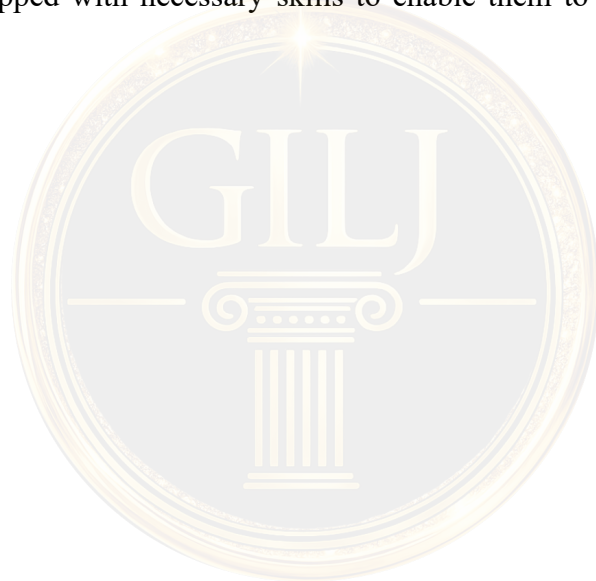
It is recommended that government should demand from employers the highest level of protection there is for their workers in the informal sector of the economy. Government should also empower labour inspectorates and agencies to monitor and enforce compliance with labour standards.

Support Unionization and Collective Bargaining

Workers should be empowered to negotiate better terms and conditions of employment.

Invest in Education and Training

Workers should be equipped with necessary skills to enable them to adapt to changing labour market demands.



ARTICLE INFORMATION

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