

## Employment Casualization and Degradation of Work in Nigeria

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### Abstract

*The paper examines in multiple perspectives, casualization and degradation of work drawing issues and arguments from a practical dimension and implied theoretical frameworks. It summarizes the implications on three major actors in industry. It selected five companies each in three sectors where casualization is predominant. The study adds to the existing empirical literature on casualization and work degradation. It was facilitated by working with trade union partners. The study found that remuneration for contract staff is not fair or comparable to that of permanent workers. They are denied the right to organise and benefit from collective agreements. They are mostly not protected from exploitation by their employers. Casualization of labour is against the campaign of full employment. Casualization is detrimental to employees and has grave consequences on the employer and the national economy. It recommends that casualization be seriously checked and if possible expunged completely from being practiced in the employment system.*

**Keywords:** Casualization, contract/casual workers, employment, degradation

### 1. Introduction

The traditional industrial relations system based on the concept of full-time employees working within an enterprise is increasingly being challenged by the use of nonstandard work arrangements (NSWA) by employers. This changing nature of work has taken a new dimension with the adoption of flexible work arrangements by many firms globally. The theme running through many of the new approaches to management in today's globalized economy is the development of a more flexible workforce which has become employers' new frontier in the management of human resources. However, these changing patterns of work (e.g. casual, contract, temporary, part-time employments, subcontracting etc.) occasioned by Structural Adjustment Programmes (SAP), have created concerns for workers and trade unions alike, especially in Nigeria. Job security, social security, terminal benefits and minimum conditions of work are some of the issues of concern. The new forms of work arrangements have led to the prospects of a "race to the bottom" in labour standards, particularly in the developing nations. Labour standards are often compromised by firms involved in casualization. Casualization as a form of labour practice is the process by which employment shifts from a preponderance of full time and permanent positions to higher levels of casual positions. It involves employment of an irregular or intermittent nature. Casualization is gradually becoming a cankerworm in the flesh of the workforce in both developed and developing economies.

In Nigeria the scourge of casualization of employment is gaining grounds in an unprecedented proportion, intensity and scale. The increase in the spread and gradual acceptance of this labour practice in the Nigerian labour market has become an issue of great concern to stakeholders. Employers of labour are increasingly filling positions in their organisations that are supposed to be permanent with casual employees. The trend has been largely attributed to the increasing desperation of employers to cut down organisational costs. Casualization of employment is seen as an appropriate strategy for cost reduction. Casualization may on the periphery seem to be justifiable since reduced cost means higher profit which is the ultimate goal of every organisation. However casualization ultimately presents lots of challenges for the employees and organizations alike. Also behind this issue of casualization in the country is the high level of unemployment and accompanying poverty. These two issues have bred a dangerous work environment and have given much aid to the prevalence of employment casualization, as many desperate job seekers in the labour force are willing to take any job no matter how dirty or degrading it is. Casual workers occupy a precarious position in the workplace and society, and are effectively a new set of 'slaves' and 'underclass' in the modern capitalist economy.

The rise of casual employment is a global trend in the larger global picture where decent work a path to broad based development is rejected and more jobs are created through outsourcing or labour agencies. Casual work is often temporary, with uncertain wages, long hours, and no job security. Nigerian workers are under pressure from corporate practices that seek to undercut their hard-fought victories at the bargaining table and replace good jobs (i.e. jobs with benefits, training, and security) with various forms of insecure and lower paid contract, short-term, and temporary work. This practice is called “casualization” and is an alarming trend, considering that working was once a hope for raising working and living standards in the country. In nearly every economic sector, good jobs are falling prey to corporate cost-cutting moves at the expense of working families. Too many jobs are being outsourced, contracted out, or reclassified under a barrage of legal definitions designed to keep pay down, benefits low, and unions out. Like workers all over the world, Nigerian workers are trying to hold the line. They are countering casualization with activism and strength, pushing back against the degradation of their work and organizing casual workers into unions to fight for their rights. Casualization however goes beyond trade union rights because it is enabled by the widespread poverty, joblessness, and the devastated natural resources of the country. It is just one manifestation of the “degradation of work” from formal to informal employment and from permanent to temporary and precarious forms of work.

The growth in irregular work has changed the nature of employment from a labour relationship to a commercial relationship, with the worker taking all the risks. There is now a sharp worldwide rise in casual employment and a parallel rise in the gap between wages and benefits of permanent and casual workers. The use of casualization as a business model, involves the strategic substitution of fulltime workers with contract and/or agency labour. The number of casual workers in Nigeria is hard to pin down. Some unions posit that for every full-time worker there are four casual workers. Some workers put the ratio at an alarming one to nine. These estimates suggest a rapid growth in casualization especially between 1999-2009. According to the International Labour Organization (ILO) (using trade union figures), the estimated ratio was about three to one. Formal workers, called “regular” company employees, are hired directly by the company. They receive contracts that explain work conditions, wages, hours, and benefits. They have the right to form unions and bargain collectively to extend their voice in the workplace. In contrast, casual workers are often employed by third-party contractors under various types of part-time and/or short-term work arrangements. They perform many of the same technical and professional duties as regulars, but with no job security. They face frequent layoffs and long periods of revolving short-term contracts under a never-ending probation. Though they work at the facilities of the companies and their work is a large part of these companies’ productivity, they are legally the direct hires of smaller outside firms and their contributions are too often ignored. Most casual workers are not part of any union structure. They earn lower wages than the regular workers, receive fewer benefits, and can be fired at will. The ILO (2004) reports that companies in Nigeria “tend to fire contract workers just before the expiration of their three, six or twelve month contracts, when they are about to become permanent workers...”

## ***2. The Problem***

Casualization of employment is growing at an alarming rate. More and more workers in permanent employment are losing their jobs and are being re-employed as or replaced by casual or contract workers. Casual work which is supposed to be a form of temporary employment has acquired the status of permanent employment in many organizations in Nigeria without the statutory benefits associated with permanent employment status. Casual workers are subject to lower pay, barred from their right to join a union, and denied medical and other benefits. Companies will often hire several part-time workers instead of one or two full-time workers to avoid their obligation to provide benefits, to divide the workforce, and to dissuade unionizing efforts. The recent controversy surrounding the sacking of 3,000 workers by a Telecommunication Company, Airtel Nigeria Limited, became a matter of national concern, given the major issues that the alleged sacking raised in Nigeria’s Industrial Relations Practice.

## ***3. The Objectives***

This study examines the extent of and reasons employers engage in casualization. It will also highlight the plight of employees who are under casual employment and identify some of the implications of this form of labour practice on the stakeholders. The study will evaluate the root cause and impact of casualization of employment in Nigeria. The study will examine whether casualization has improved the service delivery of companies that engage casuals and determine why workers take up employment on casual status.

## **4. Literature Review**

### **4.1 Nature of Casualization**

The International Labour Organization ILO (2007) defines casuals as workers who have an 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 national circumstances. This ambiguous definition has led to varying definitions of casual and contract workers and their rights in different jurisdictions. Casualization is referred to in Europe and the United States as Non Standard Work Arrangements (NSWAs). Casualization involves a process whereby more and more of the workforce are employed in 'casual' jobs. It is the corporate trend of hiring and keeping workers on temporary employment rather than permanent employment, even for years, as a cost reduction measure. Casualization is a term used in Nigeria to describe work arrangements that are characterized by bad work conditions like job insecurity, low wages, and lack of employment benefits that accrue to regular employees as well as the right to organize and collectively bargain. In addition, workers in this form of work arrangement can be dismissed at any time without notice and are not entitled to redundancy pay. It is an unprotected form of employment because it does not enjoy the statutory protection available to permanent employees. Basso (2003) observes that casualization may be linked to under-employment and has two main meanings.

It is often used loosely in international literature to refer to the spread of bad conditions of work such as employment insecurity, irregular work hours, intermittent employment, low wages and absence of standard employment benefits. The term casual is however, becoming a more usual and constant language in employment relations. The meanings may vary, but there exist a common overlap in the meanings as may be used in different occasions. Bodibe (2007) affirms that traditionally, casual labour referred to work conducted for defined periods and during peak business periods when individuals are called to supplement full time workers in times of high business activity, particularly in retail, but the situation is different now. O'Donnell (2004) emphasises that legally, a casual employee is seen as a worker engaged for a period of less than six months and who is paid at the end of each day. The expectation is that this category of worker includes those engaged, for example, in piece work, short-term construction work, etc. This however, is not really the practice, casual jobs today are commonly understood as jobs that attract an hourly rate pay but very few of the other rights and benefits, such as the right to notice, the right to severance pay and most forms of paid leave (annual leave, public holidays, sick leave, etc.). Similarly, Okafor (2007) notes that losses suffered by casual employees include: abysmal low wages, absence of medical care allowances, no job security or promotion at work, no gratuity and other severance benefits, no leave or leave allowance, freedom of association which is often jeopardised, no death benefits or accident insurance at work, no negotiation or collective bargaining agreement.

This treatment extends to job allowances, canteen services, pension plans, health and life insurance schemes, transportation and leave entitlements etc. Sadly, the trend now is that casual workers work for many years without promotion and necessary entitlements, and sometimes they do what normal employees should do, but are not compensated for such. The emerging pattern of employment in Nigeria indicates that casualization is fast becoming the dominant form of flexible work arrangement particularly in the banking, telecommunications, as well as the oil and gas industries. There are two forms of employment under casualization in Nigeria namely casual and contract labour. The terms and conditions of employment of this category of workers are not regulated by the Nigerian Labour Laws in the sense that their status is not defined and no provisions are made for the regulation of the terms and conditions of their employment, hence the mass exploitation of these workers by employers. Employers use casualization of the labour force as an effective means of reducing cost, maximizing profit and de-unionizing the work force. Fajana (2005) notes that it is difficult to give accurate statistics about the number of casual and contract workers in Nigeria because there are no official statistics showing the extent and trends of casualization. Animashaun (2007) asserts that some organizations have been reported to have up to 60-90 percent of their workers as casual/contract employees. The Nigerian Labour Act does not define casualization and does not provide a legal framework for the regulation of the terms and conditions of this work arrangement.

However, Section 7(1) of the Act provides that a worker should not be employed for more than three months without the regularization of such employment. After three months every worker including the casual or contract worker's employment must be regularized by the employer by being giving a written statement indicating the terms and conditions of employment including "the nature of the employment" as well as "if the contract is for a fixed term and the date when the contract expires".

The lack of definition of the status of this category of workers as well as the legal framework regulating the terms and conditions of their employment and protection probably explains the motivating factor for the increasing use of casualization by employers and why this category of workers are exploited by employers who engage them. The prevailing arrangement in most organizations is a situation where people are employed as casual and contract workers for five years or more and are paid less than their permanent counterparts in terms of wages and benefits even though they possess the same skills, work the same hours and perform the same tasks as permanent employees. It is also important to note a common distinction between casuals that are employed directly by the company and those that are supplied through outsourcing and subcontracting arrangement. Typically, support services such as cleaning, catering and warehouses and in some cases transport, distribution and security are subcontracted. Many casual/contract workers are higher institution graduates or skilled technicians etc. most of whom have spent several years in their respective organisations but are still referred to and treated as casual workers. This type of situation can also arise in some cases as the entire or part of the business activity is often outsourced or 'casualized'.

In such circumstances, it is always typical of employers to begin to create an invisible line between 'core' and 'non-core' activities as an excuse; while the slavery continues. Subcontracted and casual workers earn fewer benefits compared to permanent workers. Casual workers more often work late, on Sundays and even on public holidays. Companies dismiss casuals and subcontracted workers more easily than permanent workers. They find it easier to hire and dismiss them during and at their own wish. This is a mechanism to evade the legal provisions relating to the hiring and dismissal of permanent employees. Bodibe (2007) notes that some casual workers work for seven days and get an hour break. Casual employees do not have any other working conditions except for the diminutive remuneration they receive at the end of the day or month. Also labour laws concerning employment, minimum wages, conditions of employment and employment benefits hardly apply to casual employees. Cheadle (2006) posits that "the various contractual and institutional forms of this kind of new employment mean that many workers do not fall within the common law conception of contract of employment and accordingly are not subject to protective reach of labour legislations. Some fall within the definition but their employment is so precarious, indirect or informal that they become invisible for recruitment into trade unions or for protection through law enforcement. A casual employee is barely guaranteed legal minimum wage, any job security, and allowances for lunch, travel, and housing nor would they ordinarily receive benefits like paid vacation, paid sick leave, funeral assistance, or terminal benefits (e.g., gratuity). They are not positioned to receive pension benefits when their employment comes to an end.

#### **4.2 Causes of Casualization**

Increase in capital mobility and the deregulation of the labour market are some of the major causes of casualization. Trade liberalization made way for competing imports into the economy; this consequently resulted to lots of instability in the product market. In response to this challenge, employers became tempted to adopt cost-cutting measures, including downsizing, cutting back on employment and use of permanent employees; the offshoot being the current predominance of casual workers. Okafor (2007) argues that continuous trade and capital liberalisation led to the growth of the informal sector, which engages workers under unfair labour practices like casual/contract employment and deplorable working conditions and environment. Okafor adds that the inability of labour to flow or migrate to other work organisations or parts of the world for improved standards of living as part of globalization worsened the labour situation. Added to this is the increasing absence of substantial infrastructure and enabling environment for businesses to successfully operate as organisations are forced to fend for such needed infrastructures as power and many others.

All these factors have an overbearing effect on the overhead costs of organisations thus leading to harsh cost reduction approaches in which the welfare status of the workforce unfortunately becomes a prey. Other causes of casualization include globalization, technological changes and abundance of labour supply. Globalization came with the deregulation of both the product markets and the labour market and promoted outsourcing, which today is highlighted as one of the major causes of casualization. Arising from globalization, outsourcing provided an easier way to cut costs and run off competition. Where an employer outsources labour or production components, less numbers of permanent employees are needed. The popular practice is to cut the number of permanent employees and replace them with casuals. The high level of unemployment and abundance or excess supply of labour also plays a major role in fuelling casualization.

This situation results partly in the treatment meted on employees, as employers believe that they will always have people willing to work for them irrespective of the conditions. Again there is the desperate attitude of potential or existing employees in getting or retaining jobs at any condition or cost. As noted earlier, nonstandard work (NSW) arrangements is a global issue. Kalleberg (1999) observes that in advanced economies due to globalization and trade liberalization, many enterprises have resorted to the engagement of contract labour, part-time work, temporary work etc. in order to cut cost and remain competitive in the global market. In addition, employers argue that this growth is influenced by demographic changes in the composition of the labour force. Many women want to work part-time in order to combine family care and work; this is the flexibility that NSW gives them. Therefore, the changing economic conditions such as greater instability and uncertainty necessitated the use of nonstandard workers as a response to the market by entrepreneurs. The difference between Nigeria and the advanced economies is that an increasing number of workers have found themselves outside the standard purview of collective relations. Whereas in advanced jurisdictions, the situation has necessitated a readjustment of collective labour relations rules and practices so that the workers concerned can enjoy the fundamental collective labour relations rights of collective bargaining and union representation, as well as protection against exploitation. Also motivating casualization is the lack of clarity in government's labour laws concerning legal employee categories. There is only one category of worker defined in the Labour Act and that is a 'worker'.

The Act defines a worker to mean: "Any person who has entered into or works under a contract with an employer, whether the contract is for manual labour or clerical work or is expressed or implied or oral or written, and whether it is a contract of service or a contract personally to execute any work or labour." The definition does not recognise workers in nonstandard work arrangements. This can be adduced to the fact that the current labour Act was enacted in 1971 when nonstandard work arrangements was alien to our industrial relations environment. Uvieghara (2001) argues that the definition is narrow because it is apparent that it is not every employee at common law that is a worker under the Act. Thus for Part 1 of the Act to apply to an employee under the common law he or she has to fall within the definition of the term worker. The term 'employee' is not defined by the Labour Act, therefore we rely on the common law definition which states that an employee is a worker who has a contract of service. This is distinguishable from an independent contractor or a self-employed person who are said to have a contract of service.

This distinction is arrived at through the various test used under the common law such as control, mutuality of obligation, integration and multiple test. The consequences of this however, is that the casual worker does not fall within the purview of the protection and rights available to permanent employees covered by the Labour Act. This form of work arrangement is therefore characterised by instability, lack of benefits and lack of right to organise and collective bargaining. In advanced jurisdictions, current trends have necessitated a readjustment of collective labour relations rules and practices so that the workers concerned can enjoy the fundamental collective labour relations rights of collective bargaining and union representation, as well as protection against exploitation. Unfortunately, in Nigeria the legislation has since not been reviewed to address the current realities on ground.

Also there is the feeling that labour laws make excessive demands to pay terminal benefits to employees. Many employers thus decide that they simply cannot afford to hire workers on permanent bases because they will have to pay huge pension benefits. Casualization is also encouraged by the numerous loopholes that exist in labour laws, allowing employers to hire casual employees continuously to fill permanent positions. For instance, while labour laws may cover almost all workers, there are serious challenges of enforcement. Occasionally, government lacks the resources and in some cases the will to enforce labour laws to ensure that workers enjoy the protection granted in law and labour laws often conflict with government's investment promotion activities. In addition, the growth in casualization of employment is influenced by demographic changes in the composition of the labour force. Many women want to work part-time in order to combine family care and work; this is the flexibility that casual work can give them. Therefore, the changing economic conditions such as greater instability and uncertainty necessitated the use of casual workers as a response to the market by entrepreneurs.

### **4.3 Trends of Casualization in Nigeria**

The exact origin of casualization of employment in Nigeria is not clear-cut. However, it can be traced to the introduction of the Structural Adjustment Programme (SAP) in 1986, as well as the IMF and World Bank loans and their conditions. The combination of these factors led to a slump in the economy. Many factories shut down, some operating below minimum capacity and many organizations found it difficult to compete in the globalized economy which is tilted more in favour of the developed economies.

Globalization and trade liberalization added to competition from imported goods, have forced enterprises in Nigeria to reduce their staff strength and replace them with contract and casual workers in order to cut costs of production and remain competitive. The Structural Adjustment Programme (SAP) was geared toward less government involvement in the economy and more private sector participation. The revitalization of the private sector was aimed at attracting the much needed Foreign Direct Investment (FDI) into the country. While it attracted some FDI especially in the oil and gas industry it has led to the lowering of labour standards at the same time. Aladekomo (2004) asserts that casualization as a form of predominant employment practice in Nigeria was occasioned by the collapse of the oil-boom and the introduction of the structural adjustment programme, a development which eventually led to the downsizing and mass retrenchment of skilled people particularly in the urban centres and resulted in numerous cases of unemployment.

Largely, in search of a means of survival, many of these retrenched workers whose status cuts across graduates and non-graduates engaged themselves in trivial jobs along the streets with very infinitesimal pay. This practice continued and gradually started to become popular, as employers saw it as a very cheap means of getting work done. Today, this form of employment relationship has become the in-thing. The bulk of workers in the telecommunications, oil and gas sectors and other sectors of the economy are casual employees. Increasing numbers of workers have found themselves outside the standard purview of collective relations as against advanced countries where the situation has necessitated a readjustment of collective labour relations rules and practices so that the workers concerned can enjoy the fundamental collective labour relations rights of collective bargaining and union representation, as well as protection against exploitation.

#### **4.4 The Effects of Casualization**

The ills of casualization can be viewed from a tripartite perspective namely effects on the employee, on the employer and on the economy. The employees' are the direct victims of casualization but beyond that, the effects they suffer transcends through a flow-on process to the other actors. For the employees, casualization exerts downward pressure on the wages and working conditions of those employees who are viewed as permanent workers. This is partly because pay systems and employment conditions are always operated in a process that engenders comparison among the entire workforce. Again, casualization threatens the direct or indirect replacement of permanent workers by casual workers. In both cases, the negative consequences for individual employees readily extend out to negative effects on families and the society. Again, since casual workers do not get benefits, employers do not contribute to their pension and gratuity funds. Hence in the event of an accident or death, workers and their dependants are left destitute because they cannot claim for injury on duty or work place acquired diseases. This is compounded by the fact that such workers cannot afford private insurance due to the low wages. Casualization has increased the ratio of unpaid to paid labour and the intensity of work. It has increased the number of unprotected workers; most of the workers who are casually employed can no longer be part or members of unions.

This has reduced job security, forced workers to negotiate their positions on their own and made them vulnerable to exploitation. In addition precariousness leads to economic insecurity for the workers and their families. Hence, in the event that a worker is a breadwinner and earns below the poverty line, and if there is no other person working or receiving some income to augment what comes in, then the entire family is placed at risk. Such precariousness affects a worker's experience at work, how he/she makes decisions about work and political issues and how such individual relates to the broader labour market. Many employers especially within the private and public companies champion the continuous use of casual workers, thus introducing lots of casual workers in their workplaces, sometimes structuring almost the entire workforce to be casual workers believing that casualization has numerous benefits such as increased flexibility and lower overhead costs. Employers want the freedom to pay low wages; change the numbers of workers and how and when work is conducted. Casualization however brings in its wake numerous consequences on the employer.

One is job dissatisfaction which Udeozor (2007) identifies as the bane of poor employee commitment and lower productivity. It could also lead to increased level of indiscipline on the side of the employees. The rise in fraud perpetrated in banks in the country could be connected to the rampant cases of casualization of staff by the financial institutions. Again, casualization could also lead to employee turnovers. The effects of casualization to an employer will also include; high cost of recruitment, interviewing and hiring. Shelley (2008) estimates that it costs about 33 per cent of any new employees' salary to replace a worker who left.

This implies that employers will spend huge sums from time to time as turnover costs. Also high turnover can create a lack of staff to complete essential daily functions of an organisation resulting in overworked, frustrated employees and dissatisfied customers. It also creates the challenges of continuity and process inconsistency as turnovers will mean constant distortion of organisational activities, socialisation of new employees and their training as well. These processes as short as their duration may seem will create gaps in the organisation's activities with its attendant cost. As far as the national economy is concerned, the modern slavery called casualization can destroy an economy gradually. Its long and predominant usage produces individuals who have over-worked themselves with little earnings and consequently little or no savings for retirement, resulting in the emergence of an over-worked population who still depend on the government for survival, thus overbearing the government welfare strength and living at the mercy of the society. Hall (2000) also submits that casualization may have negative effects on important aspects of national economic performance such as skill formation and development.

Within such framework, the labour force of the nation will continue to suffer and be greatly affected. Anti-labour practices such as casualization can derail advancements in economic progress because there would always be agitations, industrial actions and breakdown in production and services. Casualization may also increase the rate of brain drain and capital flight in the country, since the nation's labour force will begin to run to other countries with perceived better employment conditions and working environment as has been witnessed in Nigeria. More so, it renders the citizens who are supposed to be the major beneficiaries of economic investments impoverished and completely hopeless. Again, it leads to disparity among households over time.

### **5. Materials and Methods**

This study conducted an empirical examination of casualization and work degradation in selected companies in three sectors where casualization of employment is predominant in the country namely the oil and gas; banking and telecommunications sectors. Five companies were selected from each of the three sectors. The study attempts to add to the existing empirical literature on casualization and work degradation. The study was facilitated by working with trade union partners in the three sectors selected where 135 questionnaires were also distributed. Of the 135 questionnaires distributed, 120 (89%) were returned in usable conditions. The simple percentage and chi-square statistical tools were used for data analysis.

### **6. Results and Discussion**

Table 1 indicates that on the average about 60% of employees in the oil industry are contract employees supplied by labour contractors and employment agencies. Okafor(2007) reports that in 2001, the number of casual workers within the oil industry in Nigeria hit 14,559, which was about 38.7% of the workers in the industry. At organizational level the number is much higher with some organisations such as Mobil having over 90%. Employers have continuously adopted this type of employment relationship seeing it as an effective and efficient way of cutting down labour costs, which according to Armstrong (2009) contributes the larger percentage of the cost of running an organisation. The figures are however shocking and call for urgent attention and intervention. The labour unions in the oil and gas sector argue that the shift away from permanent employment is an attempt to replace unionised employees with lower paid and less protected workers, as well as to transfer employment responsibilities to sub-contractors. The casual workers perform the same tasks as permanent workers, but without any job security, are under never-ending probation, and frequently laid off, particularly just before they would become entitled to permanent contracts.

The casual workers are not union members and they receive lower wages and fewer benefits. Table 2 presents figures from the banking sector which is similar to those from the oil and gas sector. On a sectoral level the average rate is about 79% however some companies such as Guarantee Trust Bank (GTB) have as much as 85.95 contract staff. Kolawole (2008) observes that even the Apex Bank in the country the Central Bank of Nigeria (CBN) is not left out of the practice as 600 victims of the temporary employment policy of the Central Bank of Nigeria (CBN) petitioned the Economic and Financial Crimes Commission (EFCC); the Nigerian Labour Congress (NLC) and the National Assembly over what they described as exploitation and inhuman treatment by the apex bank. For 5- 15 years casual workers have been employed by the Central Bank of Nigeria and posted to various branches nation-wide as maintenance, treasury, security and sundry workers and rather than having their status changed to full time staff, their services were terminated by the bank without any benefits that would allow them start life afresh. Most of the banks employ mostly casual workers.

The post banking reform requirement prompted most of the banks to open more branches nationwide and consequently more staff was required to meet the challenges posed by expansion. Many then opted for the policy of contract staffing where-by they contract recruitment of staff to consulting firms and pay the staff peanuts in order to maximize profit at the detriment of the poor workers. The casual workers are usually not given any written contract and letter of employment. What they have are temporary identity cards not covered by regular conditions of service. In most cases and as the above table confirms over 80 percent of the workers seen on the banking floor are not permanent staff of the banks. Their salaries are paid to the contracting firms and the firms after various deductions, pay the workers grossly below the amount paid by the bank.

This empowers the employers to lay them off after some time and hire another set of temporary workers which they grossly underpay. Orifowomo (2007) indicates that most of the outsourcing firms are owned by proxies of the bank directors or retired officers of the banks who use the outfit to further rip-off the hapless workers who can be dispensed of at the slightest mistake or excuse. Table 3 presents figures from the telecommunication sector where the situation seems worse. All the selected organizations in the sector have over 95% of their workers as contract staff. The latest crisis in contract staffing and outsourcing in the Telecommunications Sector is the recent case of Airtel Nigeria where the company reportedly laid off in one day 3,000 people designated as casual workers in its service. The Nigeria Labour Congress (NLC) picketed its offices to put pressure on the management to abandon its employment style which favours the engagement of staff as casual workers, the company lost millions of naira for three or four days for poor network services as a result.

### Test of Hypotheses

Three hypotheses were formulated for the study:

Ho: There is no significant relationship between the level of unemployment and casualization in Nigeria.

H<sub>1</sub>: There is a significant relationship between the level of unemployment and casualization in Nigeria.

Ho: Casualization of employment does not significantly increase productivity.

H<sub>1</sub>: Casualization of employment significantly increases productivity.

Ho: Casualization of employment does not result in improved harmonious industrial relations.

H<sub>1</sub>: Casualization of employment results in improved harmonious industrial relations.

For the first hypothesis as indicated in Table 4, the calculated  $X^2$  value of 155.5 is greater than the table value of 9.49 at 4df and 0.05 level of significance. The null hypothesis is therefore rejected. This implies a significant relationship between the level of unemployment and employment casualization in the country. The high level of unemployment and abundance or excess supply of human resources both skilled and unskilled also plays a major role in fuelling casualization. Fapohunda (2010) reports that, on a national basis, open unemployment was over 10% in 2007. Most of the unemployment is concentrated in the urban areas. As at September 2008, urban unemployment was over 16% in some states. The unemployment is not only of unskilled workers; it includes unemployment of highly skilled people including graduates of universities and of other institutions of higher learning. Most of the open unemployment is concentrated in the urban areas. Apart from open unemployment, Nigeria has a lot of disguised and under-employment. The actual size of the underemployment is not known. This confirms the observation of Nwachukwu (2000) that the challenge for human resource managers is how to select few individuals from the numerous applications that a single advertisement generates. Owei (2010) puts the number of casual workers in Nigeria at 55% of the entire working population.

Government seems to be looking away as these companies take advantage of the high rate of unemployment in the country, as well as the vulnerability of the workers to enslave them. For the second hypothesis, as indicated in table 5, the calculated  $X^2$  value of 4.83 is less than the table value of 9.49 at 4df and 0.05 level of significance. The null hypothesis is therefore accepted. This implies that employment casualization does not significantly increase productivity of workers. Anugwom (2007) posits that work is supposed to attract such behavioural norms as punctuality, honesty, integrity, diligence and frugality, personal attributes of the workforce which will be adapted to use by organizations in their pursuit of organisational values of high productivity, efficiency and effectiveness. However, many employers popular with casualization can only desire it because such norms are only typical of a happy and satisfied workforce which such employment condition as casualization cannot assure or provide. A resultant effect of casualization is sub-optimal productivity. Hall (2000) opines that though casualization may suit short term interest of cost saving, it may depress innovation and dynamic productivity and therefore, not be in the medium or long-term interest of individual employers.

Employees who work in organizations as casual workers may not function at their optimal ability, and would be more efficient under better working conditions. Casualization not only attacks the wages and job security of the employees, it attacks the employees' health. It brings about repetitive strain; muscular pain and exhaustion due to long hours doing the same job without much rest. This affects workers life expectancy. Casualization will always disallow potent organisational progress because it will consistently remain a source of conflict within an organisation, thereby stealing away some of management time for the purpose of conflict resolution; time that would have been devoted to critical and more positive issues that would contribute to organisational development and growth. The disparity in the conditions of permanent, casual and subcontracted workers causes a great deal of unhealthy relationship amongst them. Bodibe (2007) notes that casual workers feel detached from their jobs while full time workers loose enthusiasm for improving their lot. Consequently, all workers struggle with uncertainty and rather than unite against the employers, they see each other as rivals. Permanent workers feel that casual workers are threatening their jobs and casual workers feel that permanent workers are not sympathetic to their situation. This is a divisionary measure to strip labour of its bargaining power in order to weaken it and stop it from improving their terms and conditions of employment. This situation is appalling and has eroded the rights of workers at the work place as enunciated by the International Labour Organisation (ILO). It must be noted here that aside from the three sectors above the rate of patronage that casualization has received in a general perspective is quite high.

### **7. Recommendations**

This paper posits that while there may sometimes be need for contract employees for services that are not considered core to the main business of an organization, their remuneration should be fair and comparable to that of permanent workers. Most of the casual and contract workers are highly skilled and usually perform the same tasks as permanent employees but get lower remuneration and poor terms and conditions of employment generally and are denied the right to organise and benefit from collective agreements. This is obviously unfair and violates the principle of equal pay for equal work without discrimination on any ground whatsoever. Every person should be entitled to assemble freely and associate with other persons, and in particular form or belong to any trade union or association for the protection of his interests. Again the contract workers should be allowed to exercise their rights to organise and collective bargaining and they should be given priority whenever there is an opening for permanent employment. Policy makers must make legislations to protect these workers from exploitation by their employers. Casualization of labour is against the campaign of full employment and decent work for all and an assault on workers' rights.

In the face of increasing casualization of labour unions have a significant role to play. Casualization is a big challenge for unions in their bid to protect and advance workers' rights and foster decent work. They must develop and explore new strategies to organize and fight for the rights of casual workers or its outright eradication. The long-term success of Nigeria's unions will hinge on their capacity not only to fight the degradation of work, but to broaden their struggle to increase job opportunities and living standards. Nigeria's wealth must be used to build broad-based economic stability and support equitable economic development, with decent jobs for all. Trade unions must take the lead in the campaign against casualization of labour and the restoration of decency and dignity to work in all its forms and categories. On their part, employees should also engage themselves against employers with all the strengths, energies and alliances that they can muster collectively and individually. On the part of government there must be the political will to address the loopholes in labour laws and stop employment practices that encourage casualization of labour.

Through collective alliance, government, employees, unions and other stakeholders must campaign against this cankerworm with the specific aim of pushing for fairer and better working conditions for workers on casual contracts, including involving them in the benefit plans of organizations; stopping casual employment out-rightly; increasing the use of permanent contracts for the many professional workers employed on casual contracts across the country; resisting vulnerable employment, including the imposition of zero hours contracts, bogus self-employment, pay lower than that of colleagues doing comparable work, detrimental variable (minimum) hours contracts; and to seek equal treatment for all workers with recourse to employment range; to oppose selection for redundancy on the basis of being on a fixed-term and/or part-time contract; to transfer workers on casual contracts to full-time or fractional contracts with the same terms and conditions as permanent, full-time salaried staff ; and to increase the activism within organizations of those on casual contracts, and to encourage their voices to be heard by encouraging union participation.

Government policies must be geared towards stopping casualization or at least curtailing it. This should be pursued vigorously and actualised through collaboration with the organised labour, and the Civil Society Organisations. This paper argues that casual workers should be entitled to the same rights as permanent employees no matter the duration of their employment. Some employers regularly lay off their employees every three months and ask them to re-apply for re-engagement while majority of them have become what is termed 'permanent casuals'.

## 8. Conclusion

Nigeria has gone a long way in her attempt at economic development and social advancement, hence what she needs now is hardly such depleting virus as casualization, but rather, rapid economic development. Casualization as perpetuated in Nigeria is a threat to the desired level of economic growth and development.

The casualization model enables employers to ignore workplace standards and workers' social needs and to create a strong barrier against workplace organizing. The push towards casualization in Nigeria is evidence of a continued effort by government and corporate elites to maximize profits at the expense of long-term job policies, transparent governance, and shared economic development. For the Nigerian workers, the future depends on their capacity not just to stop the degradation of work, but to exert the strength necessary to promote developmental alternatives based on democracy, freedom of association, a clean environment, and broad-based access to higher wages, good paying jobs, education, and health care for every worker. There is a need for concerted efforts among stakeholders to ally with the government to stamp out all forms of exploitation of Nigerian workers through genuine advocacy work and information sharing. The workers themselves must open up so that bad practices can be exposed and expunged.

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**Tables**

**Table 1: Casual/ Contract workers in the Petroleum Sector**

Company	No and % of Permanent Workers	No and % of causal workers	Total
Nigeria Agip. Oil	246 (12.8%)	1680 (87.2%)	1926
Chevron Petroleum	202 (74.2%)	582 (74.2%)	784
Shell Pet. Dev.	695 (7.8%)	8190 (92.2%)	8885
Connoil	387 (15.3%)	2150 (84.7%)	2537
Mobil Producing	35 (6.6%)	529 (93.8%)	564
NNPC	9000 (75.0%)	3000 (25.0%)	12000
Total	10,565 (39.6%)	16131 (60.4%)	26696

**Table 2: Casual/ Contract workers in the Banking sector**

Company	No and % of Permanent Workers	No and % of causal workers	Total
UBA	595 (15.8%)	3178 (84.2%)	3773
GTB	358(14.1%)	2180(85.9%)	2538
ZENITH	325 (16.2%)	1680(83.8%)	2005
SKYE	264 (16.0%)	1376 (84.0%)	1640
FIRST BANK	1830 (30.0%)	4270 (70.0%)	6100
Total	3372 (21.0%)	12684 (79.0%)	16056

**Table 3: Casual/ Contract workers in the Telecommunication Sector**

Company	No and % of Permanent Workers	No and % of causal workers	Total
MTN	151 (2.6%)	5570 (97.4%)	5721
Airtel Nigeria	105 (2.1%)	4800 (97.9%)	4905
GLO	92 (3.4%)	2650 (96.6%)	2742
Etisalat	67 (4.6%)	1376 (95.4%)	1443
Starcomms	46 (3.9%)	1130 (96.1%)	1176
Total	461 (2.9%)	15526 (97.1%)	15987

**Table 4 - Relationship between Unemployment Level and Casualization**

Response	SA	A	N	D	SD	Total	x <sup>2</sup> cal	x <sup>2</sup> crit	Df	P	Rem
	62(60.2)	46(20.2)	9(9.4)	5( 15.0 )	8(10.7)	120	115.5	9.49	4	0.05	S

**Table 5 – Casualization of employment and increased productivity.**

Response	SA	A	N	D	SD	Total	x <sup>2</sup> cal	x <sup>2</sup> crit	Df	P	Rem
	28(0.67)	31(2.04)	19(1.04)	23(0.04)	19(1.04)	120	4.83	9.49	4	0.05	S

**Table 6 - Casualization of employment and improved harmonious industrial relations.**

Response	SA	A	N	D	SD	Total	x <sup>2</sup> cal	x <sup>2</sup> crit	Df	P	Rem
	57(45.38)	34(4.17)	9(8.33)	12(6)	8(10.67)	120	74.55	9.49	4	0.05	S