



Minimum Wage, Poverty and Social Welfare in Nigeria: Revisiting Distributive Justice

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Abstract

This paper examines the concept of minimum wage and the poverty situation in Nigeria. It adopts distributive justice as its theoretical framework. The paper employs content analysis and utilizes secondary data obtained from journals, newspaper articles, books, and policy papers. It emphasizes that the intrinsic value of the minimum wage alludes to the level of poverty that confronts minimum wage earners in Nigeria. Furthermore, the paper identifies that Nigeria runs an extremely weak and inefficient social welfare system. This in many ways exacerbates the level of poverty among minimum wage earners. The paper argues that despite not being a strict egalitarian theory, distributive justice offers a practical framework which ensures that benefits and burdens are distributed in a rational manner that reduces poverty and inequality in the society. It concludes that continuous increase in the minimum wage without providing social safety nets for minimum wage earners is a facade. Significantly, in order to alleviate poverty and improve the living conditions of minimum wage earners, the government in its policy agenda must prioritize social welfare as a human right that must be protected.

Key Words: Minimum Wage, Poverty, Social Welfare, Distributive Justice

Introduction

The concept of minimum wage is not a novel phenomenon. Historically, it dates back to 1928, the 1st in the series of conventions held by the International Labour Organization (ILO) towards promoting a national minimum wage globally (ILO, 2014). Subsequent conventions were adopted in 1949, 1951 as well as 1970. According to Anake et al. (2014), these conventions were necessary to articulate the processes for promoting the concept of minimum wage globally. Today, most countries, including developing nations have an official national minimum wage. The purpose of the minimum wage is to protect employees from exploitation by employers. Minimum wage can be backed by collective bargaining or legislation. The labour

union adopts collective bargaining agreement to secure fair wages, benefit packages, and fair working conditions (Obiekwe & Obibhunun, 2019). Minimum wage laws determine the lowest price for labour that any employer may pay. The principal justification for minimum wage legislation resides in improving the socio-economic conditions of low wage workers (Addison & Blackburn, 1998).

In a broad sense, minimum wage backed by legislation provides a legal framework to reduce income inequality and poverty. Poverty has become a social and economic challenge in many countries of the world. Ade-Lawal (1986) and Lotter (2007) explicate that poverty is a challenge militating against the progress of humans without any definitive end in sight. The multidimensional

nature of poverty has made a singular and precise definition of the concept impracticable. However, people are regarded as poor when their “measured standard of living in terms of income or consumption is below the poverty line, which separates the poor from the non-poor” (Akinbobola & Saibu, 2004). Poverty has many root causes which include; laziness, mismanagement of nation’s resources, lack of visionary leaders, laws and policies that promote discrimination, marginalization and lack of equal opportunities. Neumark and Wascher (1997) elucidate that the altruistic essence of the minimum wage is to increase the incomes of poor families. In this paper, poverty is explained within the bracket of the minimum wage and its intrinsic value in improving the living standards of minimum wage earners. Related to this, social welfare is concerned with the interventions of government towards meeting the basic needs of the citizens, and in particular, citizens that are classified as poor and less advantaged.

According to Irele (2019), the evolution of social welfare can be traced to the beginning of human existence and the interrelationship among human beings. The state as the agent of social protection, establishes a welfare system with the legitimate purpose to redistribute resources among the citizens. A social welfare system is one of the significant approaches adopted by countries to reduce inequality. The Elizabethan Poor Law of 1601 and Victorian Poor Law of 1834 in England which made provision for the basic needs of the poor were the earliest of social welfare laws enacted. In particular, the Victorian Poor Law focused on social welfare for people who were destitute but without welfare provision for able bodied citizens (Baker, 1997). Over the years, the approach to social welfare in most countries has taken a new turn to cover a larger number of citizens and families in dire need of social support. Social welfare interventions cover a whole range of basic services and include; family allowance, free or subsidized medical care, child welfare, free education, old age benefits as well as poverty alleviation.

In view of the above, this paper undertakes a critical analysis of the new minimum wage in Nigeria. It asserts that the intrinsic value of the

minimum wage alludes to the level of poverty among minimum wage earners. The paper seeks to justify that the failure of government to invest in social welfare programs such as free or subsidized medical care, housing assistance, child support in form of free education or student loan, as well as family allowance benefits exacerbates the level of poverty among minimum wage earners. In addition, it aims to buttress the relevance of distributive justice to socio-political issues despite the criticisms by scholars that oppose the ideals of the theory.

Literature Review

Minimum wage as a concept is composite and multi-dimensional. This is because it is shaped by the level of economic growth, minimum standard of living and the enforcement of law. Proponents of minimum wage laws argue that minimum wages improve the economic lot of low-wage workers. As argued, the minimum wage enables the income of individuals as well as families to surpass the poverty threshold, thus reducing the number of people living in poverty. Overstreet (2021) articulates that most policy makers and scholars argue that minimum wage increase reduces the level of poverty in low-income households. However, some scholars such as Addison & Blackburn (1998); Neumark & Wascher (2007); Biçerli & Kocaman (2019) emphasize that increase in minimum wage leads to reduced employment and thus portends a contradiction to the idea that minimum wage alleviates poverty among minimum wage earners. For example, Gindling (2018) examined the concept of minimum wage from a contextual perspective, focusing on developing countries. According to Gindling (2018), labour market characteristics determine whether increase in the minimum wage will decrease the level of poverty or not. In most developing countries, implementing the minimum wage law in the informal sector is a challenge, and beneficiaries of the minimum wage are the categories of workers in the formal sector who form the minority work force. Given this, the issue of whether increase in the minimum wage reduces poverty depends on the effect of minimum wage on workers in the informal sector, the extensive implementation of minimum wage laws as well

as access to social safety nets. Minimum wage legislation vividly demonstrates governments' legitimate intention to improve the income and welfare of minimum wage earners (McConnell, et al., 2009). However, the minimum wage law becomes ineffective when the law is not enforced to protect workers in the informal sector as is the case in most developing countries.

In Nigeria, issues revolving around the minimum wage trigger confrontations between government and organized labour. According to Nwude (2013), these confrontations often lead to series of industrial strike actions. Labour leaders, development experts, academics and human rights activists argue that despite Nigeria's rich resources and oil wealth, Nigeria is one of the countries that pay the lowest minimum wage in the world. On 19 March 2019, the Minimum Wage Bill was passed into law as a legislative framework for the implementation of the new minimum wage in the sum of ₦30,000. It should be noted that prior to the review in 2019, the minimum wage was last reviewed in 2011. The protracted delay in the review of the minimum wage negatively affects minimum wage earners as the rate of inflation leads to increase in the prices of goods and services, while they remain uncertain as to when the minimum wage will be reviewed. Government policies on minimum wage, if effective, provide the structural framework for governments to tackle the issue of poverty and improve the standard of living of low-income earners (Aniekan, 2014; Shuaib; 2018). Obiekwe & Obibhunun (2019) assert that the role of labour union has improved the wages of low-income earners. However, discussions on the minimum wage should focus on its impact towards improvement in the standard of living of minimum wage earners. In addition, Fapohunda et. al (2012) argue that the minimum wage increases the productivity of low-income earners. However, increase in the minimum wage, without improvement in the standard of living of wage earners will not increase their work productivity. Various studies on minimum wage affirm that minimum wage increase in Nigeria does not lead to better standard of living for low-income earners (Nwude, 2013; Anake, 2014; Aderemi & Ogwumike, 2017; Ogwumike, 2017; Alege et al, 2021; Usman et al, 2021). In 2022, an

international e-commerce company, Picodi stated that the cost of basic food products to sustain an adult in Nigeria for one month as at January 2022 was ₦40,980, which is higher than the minimum wage (Premium Times, 2022). Policy makers do not often consider the level of inflation in Nigeria when reviewing the minimum wage. In fact, should prices of household commodities and the minimum wage both rise by similar proportions, the wage rise will produce no real gain (Vázquez et al. 2017).

In the critical sense, the minimum wage in Nigeria widens the income inequality gap between the rich and the poor. Scholars such as Ogbeide & Agu (2015); Ewubare & Okpani (2018); Karagiannaki (2017); Aladejana et al. (2019), acknowledge the correlation between income inequality and poverty. Dapel (2018) explained that more than two-thirds of the poor in Nigeria are likely to live below the poverty line for the rest of their lives. To reduce poverty level in Nigeria, several poverty reduction strategies, such as Operation Feed the Nation (OFN), National Directorate of Employment (NDE), National Poverty Eradication Program (NAPEP), Subsidy Reinvestment and Empowerment Program (SURE-P), as well as National Social Investment Programmes (NSIP) have been adopted by government over the years (Ewubare & Okpani, 2018). However, these strategies have proven ineffective and almost 83% of Nigerians live below the poverty threshold according to a 2020 report from the National Bureau of Statistics (World Bank, 2020). Urama & Iheonu (2019) attribute the ineffectiveness of these policies to political corruption, political instability as well as leadership failure.

As it appears, the prospect of the minimum wage to improve the standard of living has over the years fallen short of this expectation. The depreciating value of the Naira and the failure of government to alleviate poverty clearly signify the socio-economic challenges confronting minimum wage earners in Nigeria. To state the obvious, issues bothering on the minimum wage have received less attention in the policy agenda of successive governments in Nigeria. Policy and legislative responses have been lacklustre and it appears that the welfare of minimum wage

earners is less of a priority to the government. The bland disposition of government to issues bothering on minimum wage depicts the exploitation and injustice confronting minimum wage earners. The plethora of existing literature (Anake et al., 2014; Aderemi, 2017; Shuaib, 2018; Babalola, 2019; Obiekwe & Obibhunun, 2019; Alege et al, 2021), have examined minimum wage from the conceptual frameworks of poverty, employment, inflation and welfare of workers in Nigeria. However, research on minimum wage and welfare in Nigeria is yet to fully explore a theoretical perspective that advocates for an egalitarian society through the practice of social welfare. In order to address the existing gap, this paper contextualizes minimum wage, poverty and social welfare. In addition, it adopts the theory of distributive justice as its theoretical framework.

Theoretical Framework

This paper employs distributive justice as its theoretical framework. However, in order to justify the above, this paper examines some similar theories such as critical theory and utilitarianism. The purpose underlining critical as opposed to traditional conceptions of theory is to improve human existence by abolishing all forms of injustice (Horkheimer, 1972). Critical theory urges the development of new forms of thinking that provokes emancipatory knowledge, and advocates for human emancipation in circumstances of oppression and injustice. To this end, critical theory seeks to examine the challenges that confront humans by understanding the root causes. It therefore analyzes a social process with the possibility to effect positive and fundamental change. In practice, critical theory provokes a body of intellectual movement that influences the critique of social and political institutions. However, scholars criticize critical theory for its inability to create a link between theory and practice (Arden, 1958; Heather & Stolz, 1979). Critical theory's failure as a theory of justice evolves from its entanglement with the emancipatory ideology which is vague and utopian. Indeed, the idea of emancipation based on freedom and justice for every human being is in practice not realistic. A broader interpretation of the above criticism

exposes that critical theory is narrow, abstract and imprecise to serve the social and political purposes for which it is intended (Wolin, 1987).

Similarly, utilitarianism is an ethical theory that promotes the greatest good for the greater number of people. In essence, it advocates for actions that maximize the happiness of the larger percentage of the population. The basic idea behind utilitarianism is to maximize utility, which is often defined in terms of well-being or related concepts (Daher, 2018). Utilitarianism provides a fundamental conduit for social transformation in a democratic society (Ikegbu and Diana-Abasi, 2017). Therefore, the social, economic and political agenda of every society must promote the happiness of the citizens. Ikegbu & Diana-Abasi (2017), argue that utilitarianism as a concept of justice ensures equitable distribution of scarce resources to the greatest number of people. However, Utilitarianism promotes actions that are morally wrong in order to achieve maximum happiness. Given the above, an unjust action can result in great benefits for the majority in the society. While promoting happiness for the majority, utilitarianism may lead to injustice and a society where some citizens are treated better than others. Thus, it holds the potentials to promote unequal distribution of resources among the citizens

While critical theory appears vague and utopian due to its emancipatory ideology, utilitarianism has the strong potential to promote an unjust society. Contrarily, the theory of distributive justice represents a philosophy that espouses fairness, equality and justice. Distributive justice gained significant attention with the work of Rawls (1971) as captured in his book, 'A Theory of justice'. The theory of distributive justice promotes an egalitarian society anchored on just laws and social institutions established to distribute social and public goods in a just manner. It thus advocates for socio-economic institutions to be guided by egalitarian principles. Rawls (1999) argues that the first virtue of social institutions is justice and that regardless of how organized and effective institutions and laws appear to be, they must be reformed or abolished if they are unjust. In its analytical depth, the theory of distributive justice seeks to shape

critical thinking, and guide socio-economic institutions on the essence of dispensing justice in the distribution of social goods (Rawls, 1971). Rawls emphasized that the Equal Liberty Principle is the first principle of distributive justice and takes priority over the second principle, which covers the Equal Opportunity Principle and Difference Principle. The Difference Principle promotes the idea of an integrated society anchored on social cooperation, where social and economic goods are distributed in a manner that reduces the burdens of the least advantaged (Rawls, 1971).

Nevertheless, distributive justice as a theory has come under intense criticism. The major criticism lies in the other half of the second principle which is the Difference Principle. Rawls identifies two groups in the society, the advantaged and least advantaged. Nozick (1974) identifies that Rawls's idea of distributive justice focused on the society at the expense of the individual and that his concept of the least advantaged is vague. Contrarily, Manyeli (2012) explains that the theory focuses on individuals, however, the weakness of the theory lies in its failure to mention who the least advantaged individuals are. Critics argue that as an egalitarian philosophy, the theory is constructed to desperately favour the less privileged, more so at the expense of individual liberty and rights. Nozick (1974) contends that a theory that concentrates on a group of people as against individuals is disposed towards subsuming individual rights, and depriving those in the advantaged group their full benefits and entitlements. According to the critics, the liberty of individuals should not be subjected to the vagaries of any other principle that violates their rights and liberty. Oshita (1996) mentions that the Difference Principle is premised on certain inequalities that even Rawls himself admitted. Rawls stated that inequalities will only be permitted to the extent that they benefit the least advantaged in the society. In his Equality of Resources Theory, Dworkin (1977) emphasized that Justice is Ambition-Sensitive and the choices made by individuals have implicit effects on distributive justice in contrast to Rawls's veil of ignorance. The critics argue fundamentally that conversations on distributive justice must be rooted in the principle of desert,

which implies that individuals in the society should be entitled to what they deserve. Regardless, the theory for its attempt to confront the injustices in the society inherently provides a theoretical framework for this paper. As Levin-Waldman (2000) puts it, adopting a justice approach to the subject of minimum wage would allow for a novel conception that interprets the concept of minimum wage as a conduit for achieving numerous social objectives.

Methods

This paper utilizes secondary data. Secondary data provide the opportunity to learn what is already known and what remains to be learned about a particular topic. This is because it is often possible to combine the information from several different sources to reach conclusions that are not suggested by anyone (Stewart & Kamins 1993). Furthermore, secondary data offers new perspectives or a new conceptual focus to a subject matter or original research conducted earlier. Accordingly, in its pursuit to analyse the subject matter, this paper applied content analysis and utilized relevant literature on minimum wage, poverty, social welfare and distributive justice. The author benefitted and gained insights from academic literature in journals, books, including google books, reliable publications by national and international institutions, policy papers as well as newspaper articles. However, there are some disadvantages of using secondary data. The origin of data may be questionable and data available may be out of date. Bearing these in mind, this researcher took sufficient steps to critically evaluate the validity and reliability of the data provided, by identifying and managing the disadvantages that accompany the use of secondary data.

Results

This section presents the findings derived from the data analysis. The findings are categorized into three (3) themes. (1) Minimum wage earners in Nigeria are poor, (2) The social welfare system in Nigeria is inefficient, and (3) Distributive justice promotes an egalitarian society.

Minimum wage earners in Nigeria are poor

The research reveals that the minimum wage in Nigeria is not sufficient to meet the basic needs of minimum wage earners and as such, cannot lift minimum wage earners above the poverty threshold. It further reveals that the minimum wage in Nigeria is one of the lowest in the world. In addition, findings expose that the intrinsic value of the minimum wage widens the income inequality gap between the rich and the poor in Nigeria. As discovered from existing data, increase in the minimum wage in Nigeria does not lead to better standard of living for minimum wage earners. Consequently, the majority of minimum wage earners in Nigeria cannot afford good standard of living.

The social welfare system in Nigeria is inefficient

The research finds that Nigeria runs an extremely weak and inefficient social welfare system. It further reveals that the social welfare system in Nigeria cannot alleviate the sufferings of minimum wage earners because it is inefficient. Furthermore, research findings reveal that the inefficiency of the social welfare system in Nigeria is a reflection of bad governance and not scarcity of resources as portrayed by the political elites. Findings from the research also indicate that the ineffectiveness of the social welfare system in Nigeria, lays allusion to the failure of the government to adequately protect the socio-economic rights of the citizens.

Distributive justice promotes an egalitarian society

Research reveals that distributive justice is not a strict egalitarian theory. This is because the Difference Principle, a prominent feature of distributive justice permits inequalities to the extent that such inequalities will improve the socio-economic status of the less privileged members of the society, in contrast to their conditions under the principle of strict equality. Furthermore, research reveals that distributive justice promotes an efficient social welfare system, and therefore its applicability holds the potential to improve the socio-economic conditions of minimum wage earners in Nigeria.

While the data analysis provided deeper insights into the subject matter of research, the results derived will contribute to the analytical framework of future research on minimum wage, poverty and social welfare in Nigeria.

Discussion

Every government seeks to achieve its policy agenda through social institutions. It is through existing social institutions that benefits and burdens are distributed to individuals with competing needs and claims in the society (McKee, 1981; Kaufman, 2012). Kaufman identifies that the composition of these social institutions as well as the frameworks for policy formulation and legislative enactment are fundamental because they determine how benefits and burdens are distributed in the society. In this vein, social institutions and laws are judged by how fair and just they are. Rawls advocated that each individual in a just society is sacred and should enjoy the liberties of equal citizenship that cannot be subjugated by the welfare of the society at large (Rawls, 1999). To this end, freedom and advantages for the greater majority do not justify oppression or burdens enforced on the minority. While individuals have rights in a group, such rights are often attributed to their membership of the group and for the purpose of just distribution, the benefits are for the group and not the individual (Murphy, 1972). It is such collective rights that define the category of workers whose pecuniary reward for their labour aptly symbolizes the minimum wage. One of the challenges inherent in distributive justice is how social institutions should galvanize their objectives towards ensuring equal access to opportunities, resources and social welfare for the citizens (Oinam, 2010). This raises a significant question; how should social institutions prioritize the distribution of social and economic goods among members of a society with competing needs? Put in another form, what should determine the just distribution of social or economic goods? Rawls's perception of justice is institutionalist and various theorists embrace the assumption that responses to the demand for justice should be the responsibility and burden of certain social institutions to bear. However, Olsaretti (2018), in his argument raises a

question; is it the acts of certain institutions, social practices or individuals that are just and unjust? This question draws attention to the fact that social institutions are biased because of the prejudices of individuals who work and serve as integral parts of these institutions. Hence, while viewing distributive justice from an institutional dimension, a panoramic and detailed discussion on distributive justice must equally be viewed from a broader perspective to include the individual and societal values.

According to Jackson (2015), our understanding of inequalities will not be detailed unless we recognize the influence of culture on egalitarian principles. Culture in this sense is the beliefs and values held by the members of a community or society that shape their everyday life and activities. These cultures shape individual perceptions on a plethora of issues including equality and justice. When social institutions are unjust, it is because majority of the individuals, who are the principal officers are unjust. For Jackson, the root of inequality evolves from a society that fails to embrace egalitarian principles as its culture. Invariably, societal values must imbibe in citizens the principles of equity and justice. When these principles are applied at the institutional level, they not only promote the just distribution of social goods but in each citizen ignite a sense of belonging in the society. Justice as a social virtue fosters respect for individual as well as collective rights and magnanimously promotes the ethos of fundamental human rights (Khosravi & Babaei, 2016). Ghani (2016) emphasize that issues of minimum wage are controversial. These controversies stem from the argument that earning a minimum wage is a human right or fundamental human right as some scholars clearly suggest. Of course, in all countries, efforts aimed at promoting and protecting the human rights of citizens must admit and challenge the exploitative conditions which workers are subjected to (Gould, 1979). To this end, the intrinsic value of the minimum wage should be one that will adequately meet the needs of minimum wage earners and their family members beyond the struggle and pursuit for daily survival. Section 14(2)(b) of the 1999 constitution of the Federal Republic of Nigeria (as amended) states that the security and welfare

of the people shall be the primary purpose of government. In a situation where the minimum wage in Nigeria cannot lift minimum wage earners above the poverty line, it is expected that social welfare programs will complement the minimum wage to improve the living conditions of minimum wage earners. Notwithstanding the above provision in the constitution, the social welfare system in Nigeria is grossly inefficient and apparently a reflection of leadership failure and bad governance over the years. It is widely acknowledged that the larger percentage of Nigerians wallow in the crucible of poverty without any benefits in terms of social security or safety nets from the government (Anifalaje, 2017). The argument that scarcity and limitation of resources inhibits the government from providing social welfare services cannot be rationally justified. Certainly, the problem in Nigeria is not the scarcity of resources, but rather corruption in diverse dimensions, lack of visionary leaders, and mismanagement of public funds (Olanrewaju, 2020). The minimum wage as a poverty wage is tantamount to exploitation of labour and violates the rights of minimum wage earners to adequate standard of living.

Distributive justice as an egalitarian theory objectively seeks to promote welfare equalization and, in this regard, avidly advocates for government intervention through the use of public funds to support the welfare of the least advantaged in the society (Iqbal, 2018). Rawls's Difference principle advocates for social institutions to be structured in ways that elevate the disadvantaged members of the society beyond discrimination, marginalization and poverty. It is useful to note that the Difference Principle does not propose strict egalitarianism. As a result, the principle permits inequalities to the extent that such inequalities will improve the socio-economic conditions of the least advantaged members of the society as against their conditions under the principle of strict equality. Fundamentally, social welfare should be deemed as a primary social obligation of the government achievable through a well-structured and progressive tax regime focused on the advantaged members of the society. A progressive tax regime focused on the advantaged group will reduce the burden of tax on low-income families and

increase the poverty alleviating effects of social welfare programs (Ozawa, 1973). The tax regime makes it possible for government to collect resources from the personal entitlements of the advantaged to meet the basic needs of the least advantaged. In response to this, some public analysts will argue that the government should engage in social welfare without imposing tax on the advantaged members of the society. While the above may raise certain pertinent issues on social welfare and taxation, it is not within the purview of this paper to delve into this argument. The idea of not having total control over one's wealth and entitlements, according to the critics of distributive justice is unfair and a form of inequality. But critics must realize that the relevance of distributive justice in shaping the socio-economic spheres is to alleviate poverty, reduce social tension, and curb insecurity as well as violence, particularly in developing countries like Nigeria where inequality is a threat to social cohesion and national unity (Ikegbu, 2008). In fact, the spate of violence and insecurity in the last decade precisely describe the consequences of the failure of the government to address the poverty and inequality gap in Nigeria. Many a time, the advantaged members of the society are the victims of social insecurity. As witnessed in recent years, this is more evident with the rampant cases of kidnapping majorly targeted at victims that can afford ransom. Perhaps, it may be argued that it is the responsibility of the government to protect lives and property. But we need to ask bluntly, and with reference to Nigeria, what level of commitment and dedication to duty should be expected from a security operative who barely survives on the minimum wage. Again, in analyzing distributive justice, we must bear in mind the mutability of human circumstance. Some individuals in the advantaged group could become members of the least advantaged group by stroke of fate, while some in the least advantaged group could move to the advantaged group due to change in fortune. On this ground, the advantaged individual could someday become a beneficiary of the ideology that distributive justice propagates. While distributive justice remains what it is as a theory, any member of the society can benefit from its practical application as a least advantaged, depending on the particular

side of the social class individuals belong at certain stages of their existence.

In particular, social institutions and critics of the Difference Principle must view the support to the least advantaged group as a right due to them as humans and not as a charitable cause. Human right is the basis of social welfare (Piettre, 1968). In this view, support for the least advantaged when constructed within the confines of a rights-based approach, invokes an obligation that social institutions must fulfill. Added to this, is the existence of a social contract which places political and social obligations on the government to ensure that the citizens on whose mandate it thrives, reap the benefits of entrusting it with the authority to rule over their affairs. Indeed, through social welfare services, public goods can be redistributed to reduce the level of inequality in the society (World Bank, 2019). Social welfare services in the form of free health care, access to public housing, child care support, subsidized transportation, free education and student loan will assuredly reduce the financial burdens of minimum wage earners. Furthermore, social welfare in this regard will equally improve the living conditions of minimum wage earners. In the context of Nigeria, considering the nominal value of the minimum wage, the idea of increasing the minimum wage without implementing social welfare programs aimed at reducing the financial burdens of minimum wage earners is a sham and should be repudiated. While the intrinsic value of the minimum wage in Nigeria indicates the level of poverty among minimum wage earners, the non-commitment towards social welfare services evidently demonstrates the failure of the government to protect human rights or to be more specific socio-economic rights.

Conclusion and Recommendations

Drawing from the theory of distributive justice, this paper addressed the challenges confronting minimum wage earners and concludes that the minimum wage in Nigeria cannot lift low-income households above the poverty threshold. There is therefore the urgent need to complement the minimum wage with adequate social welfare support for minimum wage earners. In moving forward, the government should reduce the large

number of political appointees as a way of reducing the cost of governance. Secondly, government must implement a strict taxation regime and curb corruption to the minimum. Reducing the cost of governance and curbing corruption will provide the government with the funds required to improve the social welfare system in Nigeria. Thirdly, the Nigeria Labour Congress (NLC) should influence the enactment and implementation of legislation on social welfare schemes for minimum wage earners. Influencing government policies on social welfare schemes provides a veritable approach towards improving the standard of living of minimum wage earners. Furthermore, the federal government must ensure that social welfare policies for minimum wage earners are duly implemented in all the States in Nigeria. Lastly, in order to alleviate poverty and improve the living conditions of minimum wage earners, the government in its policy agenda must prioritize social welfare as a human right that must be protected.

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