

A Markovian Analysis of Statutory Disputes Settlement Mechanisms during the Third Civilian Regime in Nigeria (1999-2013)

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Abstract. This study focused on the statutory trade disputes settlement mechanisms during the third republic in Nigeria. Its main objective is to analyze the probabilities of trade disputes transiting from one mechanism to another and find out which statutory mechanism has higher level of usage than others in the third civilian regime in Nigeria. Survey research design that relied on the secondary data from the existing records of the relevant ministries and agencies such as Federal Ministry of Labour and Employment, Central Bank of Nigeria Annual Statistical Bulletin and National Bureau of Statistics (various years) was used. Descriptive statistics involving frequencies and percentages were used in analyzing the data from the records of these various ministries and agencies. These data were presented in tabular forms for easy interpretation. Markov chain which is a special case of stochastic process was used in analyzing the probabilities of transition from one mechanism to another and served as the basis for testing the hypothesis. It was found that conciliation as a dispute settlement mechanism has higher level of usage (highest probability value of 0.3552) than other statutory mechanisms within the period covered by this study. Based on this finding, it was recommended that parties in trade disputes within the Nigerian industrial relations environment should explore the option of submitting trade disputes that could not be settled internally to conciliation.

Keywords: Statutory, Conciliation, Arbitration, Adjudication, Trade Disputes, Markov Chain

1. Introduction

Over the years and up till now the industrial relations environment of Nigeria has witnessed (and continues to witness) increasing occurrence of trade disputes in different sectors of the Nigerian economy without any exception. Whether it is oil and gas sector, manufacturing sector, educational sector, distributive industry, and service industry etc, the situation has been the same. Although trade disputes were also part of the colonial administration legacy, however, they became more pronounced with the enactment of the Trade Union Ordinance of 1938, Trade Union Act of 1973 and subsequent amendments which necessitated organized trade disputes. These Acts allowed workers to form their organizations for the purpose of protection of their interests and rights and engagement of employers in social dialogue in line with the international labour convention of right of association. Thus, as at the year 2000, there were twenty-nine registered industrial unions, twenty registered Senior Staff Associations, twenty-two registered Employers' Association and four registered Professional Unions in Nigeria (Fajana, 2006). With the increased number of registered trade unions, the number of organized trade disputes equally increased. This situation assumed a higher dimension in the third civilian regime in Nigeria due to the decline in repressive labour policies of the military regime which was against labour movement and freedom of expression.

However, the challenge still remains on how to manage or settle trade disputes when it occurs since disputes are part of the intricate relationship among the social actors within the work setting. This challenge informed the state action in creating external statutory mechanisms for the settlement of

trade disputes in order to achieve industrial harmony. The state first move in creating external statutory mechanisms for settling trade disputes is found in the Trade Disputes Ordinance of 1941. The Trade Disputes Ordinance of 1941 was enacted to grant the state the right to intervene in Labour disputes when, in its judgement the joint machinery for settling grievance and disputes had failed. For this purpose, the law made available machinery such as inquiry, conciliation and arbitration (Fashoyin, 1992). However, in 1968 the Trade Dispute (Amendment) Decree was enacted. The 1968 law stipulated compulsory arbitration. An amendment in 1969 created a permanent Industrial Arbitration Panel (IAP), although the ruling of the panel had to be certified by the Honorable Labour Minister to become final. The trade Disputes Decree No.7 modified this procedure and established a specialized court (National Industrial Court) in 1976 to handle labour litigations. Thus, the ruling of Arbitration Panel can be appealed to the Industrial Court (Fajana, 2006).

Although, the state created the external statutory mechanisms (conciliation, arbitration and adjudication) for settling trade disputes, but they are not applied simultaneously. Rather trade disputes are moved from one mechanism to another especially when the initial mechanism has failed to settle the dispute. Therefore, this calls for the application of Markovian analysis which is a special case of stochastic process described by conditional probabilities (Fajana, 1989) in understanding the extent of usage of each statutory mechanism. The main objective of the study is to analyze the probabilities of trade disputes transiting from one mechanism to another and to find out which statutory mechanism has higher level of usage than other in the third civilian regime in Nigeria. Thus, it is hypothesized that conciliation has higher level of usage than other external statutory mechanisms for disputes settlement in Nigeria.

2. Conceptual Review

The word statutory derives from the root word 'statute' which means rules or laws which has been made by government and formally written down. Therefore, statutory relates to rules or laws which have been formally written down. The concept of statutory mechanism for dispute settlement relates to statutory instruments developed by the government to regulate relationships within the work environment. These mechanisms are the instruments available to the parties for settling and resolving trade disputes when the internal/voluntary dispute settlement

mechanisms have failed. Specifically, there are three external statutory mechanisms for dispute settlement within a regulated industrial relations environment. They include: conciliation, arbitration and adjudication.

Conciliation involves the process of peace-making in industrial relations. It aims at achieving quick resolution of the differences that exist between the disagreeing parties by making sure that it does not result to strike action; and it brings to an end strike actions (Otobo, 2005). Okene (2010) submitted that the duties of the conciliator are to inquire into the causes and circumstances of the dispute and, by negotiation with the disagreeing parties to bring about settlement. The Trade Dispute Act stipulates that such settlement should be achieved within seven days; although this is hardly achieved in practice. Otobo (2005) sees conciliation as emanating from the breakdown of collective bargaining. ILO (2013) also advanced the same view that "conciliation extends the bargaining process by encouraging the parties in trade dispute to reach to a consensus but without imposing a solution to their dispute.

Arbitration involves the disagreeing parties in work relations submitting the disagreement to a neutral and unbiased third party chosen by them and known as the arbitrator, who considers the evidence provided by the parties and make an award (Orojo & Ajomo, 1999). Arbitration involves the intervention of a neutral third party who is authorized to examine legal arguments and proof from both sides and make an obligatory decision in the case (Nicosia, 2007). Furthermore, arbitration can be voluntary or compulsory. However, the decision on the choice of arbitration can be influenced by what the parties want. According to Thompson (2010) "voluntary arbitration represents the next step up from mediation in the dispute resolution chain. Here the disputing parties, appreciating that their own effort will not deliver a breakthrough, themselves agree to place the issues dividing them before an independent third party." The independent party is empowered to by statute to consider the proof of claim and point of views of the disagreeing groups and make a binding determination of the issue in dispute. Thompson (2010) further notes that while voluntary arbitration may be used to dispose of an entire dispute, it often works well when the parties deploy it more selectively, for instance to resolve just certain elements of a larger matter.

In the event the trade disputes failed to be settled through mediation, conciliation and arbitration, the alternative mechanism for resolution of labour

dispute is adjudication which is a judicial process. According to Otobo (1997) “adjudication is a procedure whereby ordinary court or special courts settle any disputes over rights and obligations. It involves judicial process of settling trade dispute. International Labour Organization (2013) states “that adjudication by a court or labour tribunal is the most formal and legalistic approach to dispute resolution. The disputing parties now surrender their dispute, not only to a neutral third person with power to make a final settlement, but also a process that is formal, legalistic, expensive, time-consuming and frequently delayed, along with the likelihood of a result that satisfies neither party.” In Nigeria the sole tasks of adjudicating over trade disputes lies with Industrial Court which is a specialized court. Before the establishment of Industrial Court by Decree No. 7 of the Trade Disputes Act, 1976, cases on trade disputes were entertained by ordinary courts. Borishade (1990) observes “that before 1976, trade disputes in Nigeria were taken care of in line with the British common law of contract and were treated accordingly in the ordinary civil law courts. However, due to the increase in oil production which gave rise to rapid industrialization and economic development, industrial relations environment became saddled with complex problems that the ordinary courts could tackle. Thus, government saw the need to establish separate mechanism for resolving trade disputes.

Although, NIC exists to adjudicate trade disputes, it can only adjudicate trade disputes referred to it by the Labour Ministry. Such dispute is expected to have been submitted to conciliators and arbitrators for conciliation and arbitration. It is only when conciliation and arbitration have failed in resolving the dispute that the honourable Minister can refer it to Industrial Court for adjudication. Thus, disputing parties are restricted from appealing directly to Industrial Court, and can only do so when the case involves interpretation of the award of National Industrial Court or the terms reached through bargaining.

3. Historical Antecedents of Statutory Machinery for Trade Disputes Settlement in Nigeria

The history of statutory machinery for trade disputes settlement in Nigeria is traced back to the Trade Disputes (Arbitration and Inquiry) Ordinance of 1941. The period before the ratification of the ordinance witnessed increased trade disputes within the Nigerian industrial relations environment due to the 1938 Trade Union Ordinance which allowed for formation of workers’ organization and encouraged

trade union activities. The permission for workers to form their own organization by the Trade Union Ordinance led to multiplicity of workers’ organization as some union members parted ways with their parent bodies in order to form rival organizations where they could exercise power and control. “This situation made the unions to lose their respect and worth before their employers who ordinarily are not under obligation to recognize the unions for the purpose of collective bargaining. Thus, this led to a chaotic industrial relations environment as occurrences of trade disputes became rampant.

Government, in its wisdom to discourage any kind of disruption of industrial peace and economic development enacted the Trade Disputes Ordinance of 1941 aimed at “facilitating the intervention of government on labour disputes, if and when the internal joint mechanism for settling trade disputes has failed” (Fajana, 2006). To a large extent, the government at this stage pursued the principle of ‘voluntarism’ which encouraged the disputing parties to settle between themselves without the intervention of a third party. This was with the aim that government intervention could only come as a last option when all other options of voluntary settlement such as collective bargaining, joint consultation, workers’ council etc. must have been fully exploited and exhausted. However, the Ordinance spelt out the procedures which the Labour Minister would adopt in intervening in trade dispute where the voluntary mechanism has failed. These procedures involve conciliation, inquiry and arbitration.

Sequel to the fact that government pursued the principle of voluntarism prior to 1968 Trade Disputes Amendment Decree, it was difficult for it to achieve the objective of industrial harmony especially given that the parties were not under compulsion to accept the award of conciliation or arbitration. The major achievement of the 1968 Trade Disputes Amendment Decree was the prescription of compulsory arbitration. According to Fajana (2006), “an amendment in 1969 created a permanent Industrial Arbitration Panel (IAP) although the judgement of the panel had to be certified by the Labour Minister to become final.” Thus, Fajana (2006) contended that real intervention of government in the management of industrial disputes in Nigeria started since 1968.

In 1976, The Trade Dispute Act facilitated the creation of the Industrial Court to adjudicate on matters referred to it when arbitration could not resolve the dispute. The Industrial Court was encumbered with the tasks of adjudicating over industrial disputes. In this case, the judgement of the

Arbitration Panel (IAP) and the resolution of the honourable Labour Minister can be appealed to the Industrial Court. When the NIC hears an appeal from the award made by the Arbitration Tribunal, the National Industrial Court reserves the authority to draw any inference of fact and confirm, vary or set aside the judgement, award or order of the tribunal; the court may request a review and resolution on such conditions as court may consider appropriate to make in the circumstances; order judgment to be entered for any party or make a final or order on such conditions as the honorable court may deem fit to ensure the determination on the merits of the matters (Fagbemi, 2014)

Although the government interventionist policy has been in operation since the civil war, it was also reaffirmed in the National Labour policy of Mohammed/Obasanjo regime in 1975. Thus the new philosophy of government in labour relations is the principle of 'limited intervention and guided democracy.' This policy stipulates the right of government to intervene in both union and management and employee-management relations (Fajana, 2006). With this policy in place, government through its specialized agencies like the then Ministry of Employment, Labour and Productivity, Industrial Arbitration Panel or National Industrial Court etc. could intervene in any industrial relations or trade dispute matters both at the national, branch or enterprise level if it deems it necessary. However, Fashoyin (1992) has argued that the problem with the policy of limited intervention and guided democracy lies in defining its scope. He argued that notwithstanding whether it is practiced under civilian or military regime, the policy "holds true only to the degree that the ruling government believes in the limit of its power." For example, the Olusegun Obasanjo government exercised its power by initiating the Trade Union (Amendment) Act in 2005 which saw to the removal of automatic membership and check-offs and specified voluntary membership of federation of unions. This action was aimed at reducing the powers of central labour organizations such as Nigerian Labour Congress (NLC), Trade Union Congress (TUC) and national unions such as ASUU, PENGASSAN etc., which government felt was becoming so powerful.

Again, following the interventionist posture of the 1976 Trade Disputes Act, the then Minister of Employment, Labour and Productivity has the authority to pass on a dispute directly to the Industrial Court. For example, although the parties must inform the ministry of all disputes, the Minister may apprehend any dispute, especially in essential

services, and prescribe appropriate step in settling it (Fajana, 2006). In any event, Fajana (2006) contends that "the effectiveness of this interventionist policy depends on the degree to which the internal machinery available to the parties has been able to resolve the dispute."

4. Procedures for the Transition of External Statutory Mechanisms for Trade Disputes Settlement

4.1 Conciliation

Conciliation is a mechanism recognized by the Trade Dispute Act of 1976 for the expeditious resolution of employment dispute within the Nigerian industrial relations environment. According to Section 6 (1) of the Trade Dispute Act: "if within seven days of the date a mediator is appointed in accordance with section 4(2) of this Act the dispute is not settled, the dispute shall be reported to the Minister by or on behalf of either parties within three days of the end of the seven days." Section 8(1) of the Act states that: "the Minister may for the purpose of section 7 of this Act appoint a fit person to act as conciliator for the purpose of effecting a settlement of the dispute."

However, the Act grants that the conciliator is expected to resolve the disagreement within 7days of appointment. The emphasis of conciliation is on reduction of differences with the ultimate objective of ensuring speedy resolution of the dispute. Also as part of Alternative Dispute Resolution (ADR) machinery, it strives to bring peace between the disagreeing groups. The main objective of conciliation is quick and expeditious resolution of disputes so that it does not degenerate to work stoppage or workers lockouts, and also fasten the process of termination of work stoppages. Since conciliation aims at bringing speedy settlement to a dispute, it is always the next point of call when collective bargaining machinery has failed. In this case, it is a way of broadening the process of joint determination of employment terms under the regulation of government agency.

Among the third-party intervention in Nigeria, conciliation appears as the most-widely adopted by the disputing parties in resolving such disputes. The reason behind the choice of conciliation is that it has proven to be successful as a statutory mechanism for settling trade dispute in cases where it has been applied. Beyond this also is the fact that it is the first statutory machinery for disputes settlement to be made available in the Trade Disputes Act. Fashoyin

(1992) identified conditions under which conciliation has been successful to include:

Resolving disputes that involve procedural issues, implementation of agreements and other rights issues, such as non-payment (or late payment) of salaries

Where bargainers are themselves inexperienced in labour relations; or

Where the trade dispute is at the enterprise or plant level

Similarly, he observed that “conciliation is not likely to be useful in disputes involving national officers of the workers’ associations and employers’ associations.” He adduced the reason for this to be due to the broad nature of the dispute and the increasing poor quality of conciliators who often cannot match the sophistication of top officers at the national level.

4.2 Arbitration

In settling trade dispute, arbitration has been identified as one out of the available options open to the disputants to settle their differences. However, before referring any trade dispute to the Arbitration Panel, it is expected that the parties must have exhausted internal dispute management machineries and other (Alternative Dispute Resolution) mechanisms such as mediation and conciliation. The statutory procedure requires that the Minister refers the dispute within 14 days of failure of conciliation in resolving the dispute to Arbitration Panel for settlement. Unlike the ordinary civil courts where litigants can go directly to the court, all trade disputes go to the Panel under referral by the Labour Minister (Anyim, 2009). Though not a typical court, the IAP adopts judicial arrangements whereby the parties in trade disputes are at liberty to represent themselves or appoint a legal counsel to represent them. Thus, Ubeku (1986) observes that legalistic approach to the resolution of employment disputes manifests itself in several ways at the panel: the rules of evidence not strictly followed are entertained and regularly used; Counsel appearance at the court makes proceedings appear like court proceedings.

Having considered the dispute and arrived at a decision (also known as an award), the IAP communicates its decision to the Minister who in turn communicates the award to the disputing parties.

Anyim (2009) observed that in special circumstances, the law empowers the Minister to remit an award back to the panel for reconsideration on ground of public policy or interest. “If the Labour Minister did not raise notice of objection to the award within the statutory 7 days of the release to the parties in dispute, he shall publish a notice in the official Gazette, confirming the decision and the disagreeing groups, to whom it concerns, they are bound by the decision as from the date of the decision or such other time as may be stated in the award” (Anyim, 2009).

4.3 Adjudication

Trade disputes adjudication often comes as the last option when conciliation and arbitration have failed. It is stated that where the judgement of the IAP is opposed and the Minister has been served the notice of it within the approved time, as made available in the Act, the Minister is to refer the disputes to the NIC, whose judgement will be absolute and also binding on the disputing parties starting from the date the judgement was given (Essien, 2014). In this case, the National Industrial Court is the court of last jurisdiction over employment disputes. Such trade disputes would be adjudicated by the NIC and the award or judgement of NIC is final and binding on the parties involved in the dispute. It is important to note that the case must be referred by the Honourable Minister of labour and Employment to the NIC as disputing parties are not allowed to forward the case directly to NIC by themselves.

5. Methodology

This study adopted survey research design that relied on the secondary data from the existing records of the relevant ministries and agencies such as Federal Ministry of Labour and Employment, Central Bank of Nigeria Annual Statistical Bulletin and National Bureau of Statistics (various years). Descriptive statistics involving frequencies and percentages were used in analyzing the data from the records of these various ministries and agencies. These data were presented in tabular forms for easy interpretation. Markov chain which is a special case of stochastic process was used in analyzing the probabilities of transition from one mechanism to another and served as the basis for testing the hypothesis formulated for the study.

5.1 Data Analysis

Table 1: Trade Disputes Statistics (1999-2013)

Year	Number of Trade Disputes	Number of Work Stoppages	Number of Workers Involved	Man-Days Lost
1999	52	27	173,858	3,158,087
2000	49	47	344,722	6,287,733
2001	51	37	259,290	4,722,910
2002	50	42	302,006	5,505,322
2003	149	669	162,199	4,518,321
2004	152	308	517,331	3,302,112
2005	149	57	280,606	4,308,013
2006	139	63	208,589	7,785,993
2007	250	79	414,543	13,227,957
2008	299	93	473,427	9,056,440
2009	Not Available	Not Available	Not Available	Not Available
2010	Not Available	Not Available	Not Available	Not Available
2011	622	105	643,592	29,542,606
1012	449	83	183,678	1,194,882
2013	550	99	205,719	1,374,114
TOTAL	2961	1709	4,169,560	93,984,490

Source: Computed by the Researchers

Table 2: Modes of Disputes Settlement (1999-2013)

Year	Number of Reported Disputes	Number Settled or Frustrated	Number Settled by Conciliation	Number Settled by Arbitration (IAP)	Number Settled by Adjudication (NIC)
1999	52	13	39	10	5
2000	49	6	43	10	28
2001	51	27	24	32	27
2002	50	28	22	28	24
2003	149	117	32	18	23
2004	152	117	45	15	21
2005	149	110	39	9	18
2006	139	79	60	13	8
2007	250	212	38	21	11
2008	299	245	54	32	12
2009	Not Available	Not Available	Not Available	Not Available	Not Available
2010	Not Available	Not Available	Not Available	Not Available	Not Available
2011	622	68	554	23	19
1012	449	54	395	32	21
2013	550	72	478	33	24
TOTAL	2961	1148	1823	276	241

Source: Compiled from the records of the Federal Ministry of Labour and Employment, Central Bank of Nigeria Annual Statistical Bulletin and National Bureau of Statistics (various years).

Table 3: Progress of Disputes Through Various Mechanisms (1999-2013)

Year	Reported Disputes "A"	Number of Settled or Frustrated Disputes "B"	"B" as Percentage of "A"	Number of Disputes Settled by Conciliation "C"	"C" as Percentage of "A"	Number of Disputes Settled by the IAP "D"	"D" as Percentage of "A"	Number of Disputes Settled by NIC "E"	"E" as Percentage of "A"
1999	52	13	25.00	39	75.00	10	25.64	5	50.00
2000	49	6	12.24	43	87.76	10	23.26	28	280.00
2001	51	27	52.94	24	47.06	32	13.33	27	84.36
2002	50	28	56.00	22	44.00	28	127.27	24	85.71
2003	149	117	78.52	32	21.48	18	56.25	23	127.78
2004	152	117	76.97	45	29.61	15	33.33	21	140.00
2005	149	110	73.83	39	26.17	9	23.08	18	200.00
2006	139	79	56.83	60	43.17	13	21.67	8	61.54
2007	250	212	84.80	38	152.00	21	55.26	11	52.38
2008	299	245	81.94	54	18.06	32	59.26	12	37.50
2009	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
2010	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
2011	622	68	10.93	554	89.07	23	4.15	19	82.61
1012	449	54	12.03	395	87.97	32	8.18	21	65.63
2013	550	72	13.09	478	86.91	33	6.90	24	72.73
TOTAL	2961	1148	38.77	1823	6157	276	9.32	241	8.13

Source: Computed by the Researchers

*IAP (Industrial Arbitration Panel)

*NIC (National Industrial Court)

Table 4: Probabilities of Transition from One Mechanism to Another

	Settled or Frustrated	Conciliation	Arbitration	Industrial Court/Adjudication
Reported Disputes	0.40	0.60	0.00	0.00
Conciliation	0.83	0.00	0.17	0.00
Arbitration	0.32	0.00	0.00	0.68
Adjudication	1.00	0.00	0.00	0.00

Source: Adapted from Fajana (1989).

A Markov chain is a special case of stochastic process described by conditional probabilities (Fajana, 1989). The Markov chains could be deployed to several applications. For instance, if *P* is the probability is the probability that a dispute moves from one stage to the next, it follows that *I-P* is the probability that a dispute will be settled or frustrated. Where:

R = Reported Dispute

S = Settled

C = Conciliation

A = Arbitration

I = Industrial Court /Adjudication

PRS = Probability that a dispute is settled

PRC = Probability that a reported dispute will move to conciliation

PCA = Probability that a dispute at conciliation will reach arbitration

PAI = Probability that a dispute arbitration will reach Industrial Court/adjudication

PIS = Probability that a dispute at Industrial Court will be settled

Thus:

$$PRS + PRC = I$$

$$PCS + PCA = I$$

$$PAS + PAI = I, \text{ and}$$

$$PIS = I$$

$$PS = 0.40PS + 0.83PRC + 0.32PCA + PAI$$

$$PRC = 0.60PS$$

$$PCA = 0.17PRC$$

$$PAI = 0.68PCA \text{ and}$$

$$PS + PRC + PCA + PAI = 1.0$$

Normalisation equation will give:

$$PS (1 + 0.58 + 0.0812 + 0.03654) = 1$$

$$\text{Thus } PS = \frac{1}{1.6854} = 0.592$$

On substitution, therefore, we have:

$$PRC = (0.60) (0.592) = 0.3552$$

$$PCA = (0.102) (0.592) = 0.0603$$

$$PAI = (0.0694) (0.592) = 0.0411$$

The validity of the process is checked thus:

$$(0.32) (0.592) + (0.83) (0.3552) + (0.32) (0.603) + 0.411 = 0.592 = PS$$

From the analysis, the probability that a reported dispute (PCA) will go to conciliation is 0.3552, that a

dispute at conciliation will reach arbitration (PCA) is 0.0603 and that a dispute will reach Industrial Court (PAI) is 0.0411. On the strength of the foregoing data, conciliation as a dispute settlement machinery has higher level of usage and performance than other statutory machineries having the highest probability value of 0.3552. The outcome of the data analysis is in tandem or in conformity with the research hypothesis that conciliation has higher level of usage than other external or statutory machineries for disputes settlement in Nigeria.

6. Discussion of Findings

The findings of this study corroborate with earlier and similar study conducted in the Nigerian context covering the period 1978-1988 by Fajana (1989). According to findings of Fajana (1989), of all disputes referred to conciliation, the probability of settlement (real or frustrated) was 0.83 or 83% since 17% of the cases that fall under conciliation were likely to be transferred to arbitration. Thus, the probability that a reported dispute really gets to conciliation within the entire process is only 0.3258 which is the ultimate measure of the effectiveness of conciliation (Fajana, 1989).

From Table 3 which shows the progress of disputes through the various Disputes Settlement Mechanisms (DSM) from 1999 to 2013, out of 2961 disputes reported within the period covered by this study, 1148 or 38.77% were either settled or frustrated; 1823 or 61.57% were settled through conciliation; 276 or 9.32 settled through arbitration while 241 or 8.13% were settled through the process of adjudication.

The trend in comparative terms vividly shows that the largest proportion of the disputes was settled through the process of conciliation which corroborates with the Markovian chain analysis of Disputes Settlement Mechanisms (DSM). From the outcome of the study, it is found that conciliation as a dispute settlement mechanism has higher level of usage than other statutory mechanisms within the period covered by this study.

7. Conclusion

The failure to settle trade disputes using internal dispute settlement mechanism such as collective

bargaining prompted the state to develop external statutory mechanisms through the enactment of Trade Disputes Act that can be used for expeditious settlement of trade disputes. These mechanisms which include conciliation, arbitration and adjudication are applied to trade disputes and disputes progress from one mechanism to another. Markov Chain analysis was used to determine the probability of a reported dispute moving from one mechanism to another. In conclusion, this study established that conciliation has a higher usage than other external statutory mechanisms for trade disputes settlement in Nigeria. It is therefore recommended that parties in trade disputes within the Nigerian industrial relations environment should explore the option of subjecting or submitting trade disputes that could not be settled internally to conciliation process.

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