

URGENT NEED FOR THE AKWA IBOM STATE GOVERNMENT TO INFLUENCE PRIVATE FIRMS TO IMPLEMENT THE APPROVED MINIMUM WAGE

SPONSOR: HON. (ENGR) UDUAK EKPO-UFOT: Member Representing Etinan State Constituency

Mr. Speaker, Distinguished Colleagues...

This Motion is brought pursuant to Order III, Rule I of the Standing Orders of the Akwa Ibom State House of Assembly (7th edition).

In July 2024, President Bola Tinubu signed into law a new minimum wage of N70,000 per month, up from N30,000. The increase followed extensive negotiations between the Federal Government and organised labour in response to rising inflation, escalating living costs, and the removal of fuel subsidies.

The new legislation also shortened the wage review cycle from five to three years, allowing more frequent adjustments to reflect economic realities. It mandates that no worker in Nigeria, public or private, should earn below the stipulated amount, with non-compliant employers subject to government sanctions.

This is exactly one year since our dear President signed this minimum wage into law, and just last month, our empathic Governor, H.E. Governor Umo Eno PHD, joined 20 of the 36 states of the federation by implementing the law to the letter- in the Public Sector.

However, this minimum wage applies to both the public and private sectors and non-compliance by employers, including those in the private sector, can result in sanctions and legal action. . The law provides a framework for addressing non-compliance and ensuring that workers receive negotiated and fair compensation. The wage increase is necessitated in response to rising inflation and the need to improve workers' living standards.

While the increase is aimed at improving worker welfare, the private sector has expressed concerns about its ability to absorb the cost, particularly in the current challenging economic environment.

The unorganised private sector poses the greatest concern. This is where the bigger breach lies. A large number of my constituents still earn about N15,000 or N20,000 monthly in Akwa Ibom State- these are the workers I most concerned about. The minimum wage law offers them the most protection.

The Akwa Ibom State Government should especially look at a way to ensure the following entities are coerced to apply this minimum wage: Large Hotels, Big Schools e.t.c.

Cold Audits should also be performed by the respective agencies to ensure that firms don't engage Akwa Ibom indigenes in acts of slavery in the guise of the submission that they are Contract Staff.

This House...

AGREES that the 2024 National Minimum Wage Amendment Act represents a significant step towards addressing Nigeria's socio-economic challenges, particularly for low-income earners in Nigeria. It is a law that affects both the private sector and the public sector

ACKNOWLEDGES that Although the economic situation of the country is unpalatable to the generality of the masses, the private sector, and employers of labour in this sector, also have to pay the minimum wage.

FURTHER ACKNOWLEDGES that The National Minimum Wage Act mandates that no worker in Nigeria, regardless of sector, should earn below the stipulated amount.

AWARE that according to Section 4 of the Amendments Act 2024, amongst other exemptions, firms with less than 25 staff are exempted from paying the minimum wage.

WORRIED that Some public and private-sector workers are hardly available in their places of work. The low wage has undermined morale and productivity, and created a sense of deprivation among workers.

CONCERNED that implementation of the Minimum Wage has a limited impact on relative poverty, but is a step in the right direction

GRATEFUL that Minimum Wage Earners are no longer liable to tax or deduction of monthly PAYE.

This House...

MOVES AND HEREBY ACCORDINGLY RESOLVES: -

1. *That* His Excellency, Governor Umoh Eno PHD, should use Moral Suasion... to influence the non-exempt Private Sector Employers of labour, to increase the minimum wage as we approach the Christmas Season

Most Respectfully, Mr. Speaker, Leadership & my Distinguished Colleagues, I SO MOVE.

Hon (Engr) Uduak-Obong Ekpo-Ufot
Member Representing Etinan State Constituency.