Diffusing Potential Conflicts on the Road to Decarbonisation in Nigeria: Trade Unions as Forces for Continuity

By:

Mr. Omole Iyayi

November 16, 2019

Introduction

Nigeria, in recognition of the varying economic, political, environmental and social dangers posed by the over reliance on carbon based forms of energy, has started to turn to the idea of decarbonisation. However, this process can be difficult to attain, because of conflict between the different actors in an energy system. When unresolved or improperly managed, such conflicts can delay / derail decarbonisation initiatives and could scare away Foreign Direct Investment (FDI) which has proven crucial in driving decarbonisation initiatives in emerging markets such as Nigeria.

It is therefore important to understand potential sources of conflict and proffer

strategies for their effective resolution. One approach that has been advocated to achieve this is to pay more attention to the role of power and politics in energy transitions. This approach suggests that conflict exists because decarbonisation as a redistributive process leads to the emergence of two distinct categories of actor groups, fundamentally opposed to each other. In this contribution, potential conflict from one of the important actor groups in energy systems, trade unions, is analysed within the Nigerian context. The foundations for the existence of opposing groups, dominant trade unions, and conflict resolution strategies, are also examined.

The Politics of Energy Transitions

Energy transitions refer to particularly significant set of changes to the patterns of energy use in a society, potentially affecting resources, carriers, converters, and services. Such transitions can be contentious, because the changes are so profound that they result in the emergence of new winners and losers in the energy system. The contentious and redistributive nature of energy transitions thus results in the emergence of actor groups, fundamentally opposed to each other.

Within the context of decarbonisation, these different actor groups can be placed into two categories: “forces for change” and “forces for continuity”. Forces for change represent actor groups whose actions are dedicated to the introduction of new innovations that alter existing energy systems in favour of renewable energy sources, such as water, solar, wind and bio-fuels. Forces for continuity on the other hand, are the various actors in favour of incremental changes, which reinforce the dominance of current fossil-fuel actors and technologies in the energy system. They include a diverse range of influential groups such as corporate actors, banks, pension funds and other associated supply chain actors with sizable investments in energy regimes. They can also include climate sceptics, politicians and energy consumers, particularly those focused on maintaining the relatively low cost of energy over other factors.

Trade Unions in the Nigerian Oil and Gas Sector

While there are different trade unions in the Nigerian oil and gas sector, the actions and activities of two in particular have the most impact on the country:

The National Union of Petroleum and Natural Gas Workers (NUPENG), which comprises of junior workers in the petroleum and natural gas sector & tanker drivers, and the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), which represents middle to senior management workers in the oil and gas industry. Both trade unions are considered to be two of the most powerful trade unions in Nigeria, though it could be argued that due to the importance of crude oil to the country, they are in fact the most powerful unions in the country.

NUPENG and PENGASSAN as Forces for Continuity

Several projections about decarbonisation increase the likelihood that trade unions such as NUPENG and PENGASSN will act as forces for continuity. For instance, oil and gas dependent nations such as Nigeria are projected to suffer the most adverse effects of decarbonisation. One of these effects is the loss of jobs in high carbon sectors of such countries. While it is also projected that there will be jobs created as a result of the emergence of renewable energy companies, countries like Nigeria are projected to suffer net job losses.

One of the primary objectives of trade unions is the protection of the economic interests of its members and that involves ensuring that they have jobs. Given the projections about decarbonisation, trade unions in the oil and gas sector are likely to utilize whatever power resources they have in order to protect the jobs of their members.

NUPENG and PENGASSAN Strategies

As indicated earlier, due to the potential for job loss within their sector, both NUPENG and PENGASSAN are very likely to oppose decarbonisation. While trade unions can utilize several strategies in the interests of their members, strike actions have proven to be one of the most effective and frequently adopted option for both unions. Strike actions by both unions often cripple the economy leading to fuel scarcity, disruption of power supply, and hikes in the prices of various goods and services. It is thus extremely likely that any opposition expressed by these trade unions to decarbonisation will be expressed through strike actions.

Conflict Resolution Strategies

It is important that any strategy adopted adequately addresses the most important issue for these unions, which in this case would be job security for their members. In this regard, adapting the just transition concept to the Nigerian context will be crucial. This will involve the retention, reskilling and early retirement of workers that are to be affected, the involvement of trade unions in discussions about decarbonisation, and the creation of awareness among members of important trade unions. Foreign investors can also contribute to these efforts by establishing a transition fund, similar to the proposed EU transition fund, to help sponsor the retraining of affected workers and also the raising of awareness about decarbonisation.

Conclusion

Decarbonisation is inevitable and will no doubt result in job losses within the Nigerian oil and gas sector. As a result dominant unions such as NUPENG and PENGASSAN will use their considerable power resources to protect the interests of their members. History suggests that any conflict involving both unions, irrespective of how short, will have serious consequences for citizens of the country. In order to avoid this, the just transition concept needs to be adopted and adapted to the idiosyncrasies of the Nigerian labour environment.

View online: Diffusing Potential Conflicts on the Road to Decarbonisation in Nigeria: Trade Unions as Forces for Continuity

Provided by Afronomicslaw