

The Paradox of Nigerianisation: Indigenous Ownership, Labour Casualization, and the Erosion of Decent Work in Nigeria's Oil and Private Sectors

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ABSTRACT

This study examines the paradox of Nigerianisation in Nigeria's oil and private sectors, where indigenous ownership and local content policies were expected to strengthen national capacity, improve worker welfare, and align employment conditions with international best practice. Drawing on the ILO decent work framework and a mixed-methods design, the study compares wages, welfare packages, and employment security across Nigerian-owned oil firms, IOC/IOC-linked service companies, and Nigerian-owned private enterprises, supported by interviews with workers, HR managers, and union officials. The Findings indicate a marked erosion of welfare provisions, especially medical insurance, pensions, and workers allowances, alongside wage suppression, graduate devaluation, and widespread casualization through short-term and outsourced contracts. The study further highlights a widening gap between executive wealth accumulation and workforce vulnerability, deepening class fragmentation and weakening social cohesion. In many cases, employment in high-revenue sectors functions as underemployment: workers remain in precarious jobs due to unemployment pressures rather than decent work incentives. The study concludes that Nigerianisation has often produced ownership transfer without labour responsibility. It recommends redefining Nigerianisation metrics to include enforceable welfare standards, stronger labour regulation, and incentive structures tied to decent work compliance, to restore dignity, productivity, and inclusive development.

Keywords: Nigerianisation; Local Content; Labour Casualisation; Decent Work; Underemployment

INTRODUCTION

Background to the Study

The Nigerianisation of the oil and private sectors was conceived as a bold corrective policy intended to reverse decades of foreign domination, expand national ownership, deepen skills transfer, and improve the welfare and dignity of Nigerian workers. Rooted in post-independence economic nationalism and later reinforced through Local Content frameworks, Nigerianisation was expected to translate indigenous participation into inclusive growth, improved labour conditions, and economic sovereignty (Ake, 1981; Olukoshi, 2015). In theory, the transfer of ownership from expatriate firms to Nigerian hands would align corporate practices more closely with national development priorities and international labour standards. Historically, International Oil Companies (IOCs) operating in Nigeria maintained relatively structured employment systems. While these firms were not without flaws, their labour regimes typically included clearly defined salary scales, comprehensive medical insurance, pension schemes, offshore and housing allowances, and predictable career progression pathways. These arrangements were largely shaped by global corporate governance norms, home-country regulations, and pressure from international labour standards, particularly those promoted by the International Labour Organization (ILO) (ILO, 1999; Watts, 2008). For many Nigerian professionals, employment within IOC environments represented not merely a job but a pathway to stability, dignity, and long-term socioeconomic mobility. The gradual shift from expatriate-dominated ownership to Nigerian-owned firms, accelerated by the Nigerian Oil and Gas Industry Content Development Act of 2010

that marked a decisive turning point in Nigeria oil industry. Indigenous firms increasingly took over assets, contracts, and service provision across the oil value chain and the wider private sector. This transition was widely celebrated as a triumph of national capacity and economic self-determination. However, beneath the rhetoric of empowerment, troubling labour realities began to emerge. Instead of an expansion of welfare and dignity at work, many Nigerian-owned enterprises adopted employment practices characterized by cost minimization, labour casualization, and welfare retrenchment (Standing, 2011; World Bank, 2022).

Today, concerns over declining wages, reduced allowances, absence of medical insurance, and insecure contracts dominate conversations among workers in Nigeria's oil and private sectors. These developments have coincided with an era of unprecedented wealth accumulation among a small class of indigenous business owners and corporate executives, many of whom live lifestyles that starkly contrast with the precarious conditions of their employees. This widening gap has not only economic implications but also profound social and moral consequences, contributing to class fragmentation, resentment, and declining trust in economic reforms (Piketty, 2014; Oxfam, 2023).

Statement of the Problem

The central problem addressed in this study is the growing contradiction between the intentions of the Nigerianisation and its actual labour outcomes. Nigerianisation was designed to improve employment quality, enhance worker welfare, and ensure that Nigerians benefited meaningfully from national resources. Yet, empirical observations suggest that indigenous ownership has often coincided with declining labour standards rather than improvement. Workers increasingly face short-term contracts, stagnant or suppressed wages, reduced allowances, and the complete absence of social protection mechanisms such as health insurance and pensions. This situation is particularly paradoxical in the oil sector, which remains Nigeria's most lucrative industry. Despite the enormous revenues generated, many workers in Nigerian-owned oil and service firms earn wages that are lower than those of their counterparts in the public sector and far below international benchmarks. Graduate professionals, once attracted to the oil industry as a symbol of excellence and reward for skill, now experience what can best be described as employment without dignity, a condition where having a job does not guarantee economic security, wellbeing, or social mobility (ILO, 2021; NBS, 2023). The persistence of these conditions is further reinforced by Nigeria's high unemployment rate. In an economy where job scarcity is widespread, workers often accept degrading employment arrangements out of necessity rather than choice. This reality blurs the distinction between employment and qa, transforming oil and private sector jobs into survival mechanisms rather than engines of development (AfDB, 2021). Consequently, Nigerianisation risks becoming a vehicle for elite enrichment rather than a platform for shared prosperity.

Objectives of the Study

The main objective of this study is to critically examine the labour implications of Nigerianisation in Nigeria's oil and private sectors. Specifically, the study seeks to:

- i. Assess changes in wages, welfare provisions, and job security following the transition to Nigerian ownership.
- ii. Analyse the structural and institutional factors driving labour casualization and underemployment.
- iii. Examine the relationship between indigenous ownership, executive wealth concentration, and worker deprivation.
- iv. Evaluate the implications of these trends for national development, productivity, and social cohesion.

LITERATURE REVIEW

This section reviews the conceptual and theoretical foundations necessary to analyse the labour consequences of Nigerianisation in Nigeria's oil and private sectors. Rather than treating Nigerianisation as a purely ownership-driven reform, the review interrogates its implications for employment quality, labour security, and welfare outcomes. The discussion synthesises key concepts Nigerianisation, local content, decent work, and underemployment and situates them within broader labour and political economy debates.

Conceptual Foundations

Nigerianisation and Local Content

Nigerianisation refers to state-driven policies aimed at expanding Nigerian ownership, managerial control, and participation in sectors historically dominated by foreign capital. Rooted in post-independence economic nationalism, the policy sought to correct colonial structural imbalances and promote domestic capacity development (Ake, 1981). In the oil sector, early participation frameworks of the 1970s gradually evolved into more institutionalised local content regimes, culminating in the Nigerian Oil and Gas Industry Content Development Act (2010).

Although often used interchangeably, Nigerianisation, indigenisation, and local content are analytically distinct. Indigenisation policies primarily emphasised equity transfer from foreign to Nigerian ownership. Nigerianisation extended beyond ownership to include managerial and employment control. Local content frameworks focus more specifically on domestic value creation across supply chains. In practice, Nigeria's oil sector reforms combine elements of all three approaches.

However, comparative evidence from other resource-rich states suggests that ownership reform alone does not guarantee improved labour conditions. For example, local content regimes in countries such as Norway and Brazil embedded labour standards, skills transfer obligations, and institutional oversight into their petroleum frameworks. In contrast, Nigeria's implementation has largely measured success through contract awards and ownership percentages, with limited enforceable benchmarks tied to worker welfare. This imbalance creates the conditions for a paradox: indigenous ownership without labour transformation.

Thus, Nigerianisation must be assessed not merely by participation metrics but by its distributive and welfare outcomes.

Intended Labour Outcomes

At its normative core, Nigerianisation promised three labour-centred outcomes: First, improved welfare through better wages, pensions, health insurance, and employment security. Second, structured skills transfer enabling Nigerians to occupy higher-value technical and managerial roles. Thirdly, inclusive development, ensuring that resource extraction translated into broad-based improvements in living standards.

These expectations align closely with the decent work framework advanced by the International Labour Organization (ILO, 1999). Yet, the absence of enforceable labour benchmarks within Nigerianisation policy architecture has weakened its transformative potential. Without regulatory compulsion, firms may prioritise cost minimisation over welfare provision, especially in high-unemployment environments where labour bargaining power is structurally weak.

Decent Work and Underemployment

The concept of decent work reframes labour evaluation from mere job quantity to employment quality. It encompasses fair income, job security, social protection, safe working conditions, career progression, and freedom of association (ILO, 1999). Decent work is therefore multidimensional and human-centred.

In Nigeria's oil and private sectors, several of these dimensions remain fragile. The erosion of pensions, medical insurance, and long-term employment contracts signals a shift toward precarious work arrangements. Even in capital-intensive industries with significant revenue flows, welfare protections are often limited or unevenly distributed.

Underemployment further deepens this paradox. Contemporary labour scholarship conceptualises underemployment not only as insufficient working hours but also as inadequate wages, insecurity, and blocked mobility (Standing, 2011; Kalleberg, 2011). From this broader perspective, formal employment in Nigeria's oil sector does not necessarily equate to economic security. Workers may remain economically vulnerable despite being formally employed.

By linking decent work deficits to structural underemployment, the literature challenges dominant narratives that portray oil sector employment as uniformly high quality. Instead, it suggests a segmented labour structure where employment status masks deeper insecurity.

Application to Nigeria's Oil and Private Sectors

Applying these frameworks reveals a structural contradiction. Nigerianisation has expanded indigenous participation and employment opportunities, yet qualitative aspects of work—security, benefits, progression—have not improved proportionately.

This divergence has broader socio-economic implications. Where workers observe elite wealth accumulation alongside declining welfare protections, perceptions of distributive injustice intensify. Such dynamics weaken institutional trust and may undermine the legitimacy of reform policies framed as national empowerment.

Understanding this paradox requires moving beyond descriptive policy analysis toward structural explanation, which the theoretical framework below provides.

THEORETICAL FRAMEWORK

To explain why indigenous ownership has not automatically produced decent work outcomes, this study integrates three complementary theoretical perspectives: Political Economy Theory, Post-Colonial Labour Theory, and Dual Labour Market Theory. Together, they illuminate how ownership structures interact with power asymmetries and regulatory environments.

Political Economy Perspective

Political economy analysis emphasises how economic outcomes reflect power distributions between capital, labour, and the state (Harvey, 2005). Ownership transfer does not inherently alter accumulation logics. Where regulatory enforcement is weak and labour bargaining power constrained, capital whether foreign or domestic—may pursue profit maximisation through labour cost suppression.

Within Nigerianisation, indigenous elites often operate within the same global market pressures and domestic institutional constraints as foreign firms. In the absence of strong enforcement of welfare standards, labour protections become negotiable rather than guaranteed. Thus, the policy's redistributive promise may be diluted by structural power imbalances.

Post-Colonial Labour Perspective

Post-colonial labour theory highlights how formal independence does not automatically dismantle colonial labour hierarchies (Fanon, 1963; Ake, 1981). Indigenous elites may inherit and reproduce exploitative structures under national symbolism.

In Nigeria, Nigerianisation symbolises sovereignty and economic self-determination. However, when labour relations remain hierarchical and extractive, the reform risks becoming symbolic rather than transformative. This dynamic can be understood as internal reproduction of domination, where exploitation persists under domestic rather than foreign control.

Dual Labour Market Perspective

Dual Labour Market Theory (Doeringer & Piore, 1971) distinguishes between primary (secure, well-compensated) and secondary (precarious, low-protection) employment segments.

Evidence from Nigerian-owned oil and private firms suggests that many workers remain in secondary labour positions characterised by contract work, outsourcing, limited benefits, and restricted mobility. Meanwhile, managerial elites occupy protected primary positions.

This segmentation explains how high-revenue sectors can coexist with widespread worker insecurity. Nigerianisation may have expanded ownership participation without restructuring labour segmentation patterns.

Comparative and Policy Implications

A comparative lens strengthens the analysis. Resource-rich countries that successfully linked local participation to labour upgrading—such as Norway—embedded enforceable training quotas, collective bargaining protections, and measurable welfare standards within petroleum governance frameworks.

Nigeria's regime, by contrast, emphasises participation metrics over labour quality benchmarks. The absence of clear compliance indicators—such as mandatory pension coverage rates, health insurance thresholds, minimum contract duration standards, or training progression ratios—limits accountability.

For Nigerianisation to align with decent work principles, policy architecture must incorporate measurable labour benchmarks, including: minimum welfare standards tied to industry revenue levels, enforceable pension and health insurance coverage ratios, transparent reporting on contract versus permanent employment shares, skills progression targets for Nigerian technical staff and independent labour compliance audits. Embedding such indicators would operationalise decent work within local content frameworks and reduce the gap between policy symbolism and labour realities.

Synthesis

The literature reveals that Nigerianisation cannot be evaluated solely through ownership statistics or participation rates. When analysed through decent work and underemployment frameworks, supported by political economy, post-colonial, and dual labour market theories, the policy's paradox becomes clear: indigenous ownership has expanded without commensurate labour upgrading.

This synthesis positions Nigerianisation not simply as a flawed reform but as a policy operating within structural constraints that prioritise elite accumulation over worker welfare. The empirical analysis in subsequent chapters builds on this integrated framework to examine how these structural dynamics shape lived labour experiences in Nigeria's oil and private sectors.

METHODOLOGY

This study adopts a mixed-methods research design integrating quantitative and qualitative approaches to examine the labour consequences of Nigerianisation in Nigeria's oil and private sectors. The design is explanatory and comparative, enabling systematic evaluation of wage structures, welfare provisions, and employment conditions across firm categories, while also capturing workers' lived experiences. This approach is particularly suited to labour research in extractive economies, where numerical indicators alone cannot adequately reflect insecurity, dignity, and power asymmetries (Creswell & Plano Clark, 2018).

Research Design and Scope

The quantitative component compares wages, allowances, pension coverage, medical insurance access, and contract structures across three firm categories:

- i. Nigerian-owned oil and gas firms
- ii. IOC-linked service companies
- iii. Nigerian-owned private sector firms outside oil

The qualitative component explores perceptions of employment security, welfare erosion, career progression, and coping strategies within these firms. The study focuses on key oil-producing and commercial hubs in Nigeria, including:

- Port Harcourt

- Lagos
- Warri

These locations were selected due to their concentration of oil operations, service firms, and private sector activities.

Population and Sample Distribution

Purposive sampling was employed to select firms and respondents with direct relevance to Nigerianisation and labour practices. Selection criteria included ownership structure, workforce size, and operational relevance within the oil and private sectors.

A total of 60 semi-structured interviews were conducted across sectors. The distribution is presented below for transparency:

Sector Category	Workers	HR Managers	Union Officials	Total
Nigerian-owned oil firms	18	4	3	25
IOC-linked service companies	10	3	2	15
Nigerian-owned private firms	14	4	2	20
Total	42	11	7	60

Geographically, interviews were distributed as follows:

- Port Harcourt – 25 respondents
- Lagos – 20 respondents
- Warri – 15 respondents

This distribution reflects sectoral concentration patterns and enhances representativeness across Nigeria’s core oil and commercial zones.

Data Sources

To ensure triangulation and analytical robustness, data were drawn from multiple sources: Primary data includes: Semi-structured interviews with workers, HR managers, and labour union representatives and Observational insights from firm-level employment practices. While secondary data includes: company employment manuals and labour contracts, National labour statistics from the National Bureau of Statistics, Public wage benchmarks, Reports from the International Labour Organization and Nigerianisation and Local Content policy documents. The integration of these sources allows comparison between policy objectives and actual labour outcomes.

Data Analysis Procedures

Quantitative data were analysed through descriptive comparative techniques, focusing on Wage differentials, Allowance structures, Pension coverage rates, medical insurance access and Contract duration patterns. Comparisons were made across firm categories to identify structural differences between indigenous and IOC-linked firms. While the qualitative data were analysed using thematic analysis. Interview transcripts were coded and organised into four core analytical themes: Welfare erosion, Casualisation and contract insecurity, Career stagnation and blocked mobility, Coping strategies and adaptive behaviour Mapping excerpts directly to these defined themes improved analytical cohesion and ensured systematic interpretation rather than anecdotal illustration.

Ethical Considerations

All participants were assured confidentiality and anonymity. Pseudonyms were used in reporting interview excerpts, and sensitive firm-level data were anonymised to protect respondents from professional risk. Participation was voluntary, and informed consent was obtained prior to interviews.

FINDINGS AND DISCUSSION

This section presents and discusses the empirical findings of the study, focusing on labour welfare, wage structures, employment security, and class outcomes under Nigerian-owned firms in the oil and private sectors. The findings are drawn from comparative analysis of employment conditions across indigenous oil firms, IOC-linked service companies, and Nigerian-owned private enterprises, supplemented by qualitative analysis from workers, human resource managers, and labour union officials.

Collapse of Welfare Structures under Nigerian Ownership

One of the most striking findings of the study is the systematic collapse of welfare structures that were once standard in the oil sector. Under earlier IOC-dominated regimes, workers are particularly professionals and highly technical, workers had access to comprehensive welfare packages, including employer-funded medical insurance, contributory pension schemes, housing or offshore allowances, and structured leave benefits. In contrast, The Nigerian-owned firms increasingly treat these provisions as optional or dispensable.

Table 4.1: Comparison of Welfare Provisions across Firm Types (% of Firms Offering Benefit)

Welfare Component	IOC / IOC-linked Firms	Nigerian-Owned Oil Firms	Nigerian-Owned Private Firms
Medical Insurance	92%	28%	21%
Pension Scheme	88%	41%	34%
Housing/Offshore Allowance	76%	19%	12%
Paid Annual Leave	94%	63%	58%
Health & Safety Coverage	90%	47%	39%

Source: Field Survey and Company Policy Review (2025)

The data show a dramatic reduction in welfare coverage following the transition to Nigerian ownership. Medical insurance arguably the most critical welfare component in a hazardous industry like oil is absent in over two-thirds of Nigerian-owned oil firms. Interviews reveal that workers are often required to pay out-of-pocket for medical emergencies, including work-related injuries, undermining both wellbeing and morale.

A senior technician interviewed in Port Harcourt captured this reality succinctly:

“We work in risky environments, but when something happens, you are on your own. Before, the company handled everything. Now, even hospital bills are your personal problem.”

This welfare collapse contradicts the original promise of Nigerianisation and represents a clear deviation from decent work principles.

Wage Suppression and Graduate Devaluation

Beyond welfare erosion, the study finds significant wage suppression across Nigerian-owned firms. Contrary to expectations that indigenous ownership would improve earnings through local understanding and reduced expatriate cost structures, wages for graduates and professionals have stagnated or declined in real terms.

Table 4.2: Average Monthly Wages by Sector and Ownership (₦)

Category	IOC / IOC-linked Firms	Nigerian-Owned Oil Firms	Public Sector Benchmark
Graduate Entry Level	₦420,000	₦180,000	₦230,000
Mid-Level Professional	₦750,000	₦320,000	₦410,000

Senior Staff	Technical	₦1,200,000	₦520,000	₦650,000
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Source: Field Survey; Public Service Salary Structure (2024)

The table demonstrates that Nigerian-owned oil firms often pay wages lower than the public sector, even though the oil industry is capital-intensive and high-risk. When adjusted for inflation and cost of living, these wages translate into declining purchasing power and financial stress for workers. Many respondents reported taking on secondary income activities or relying on family support despite being formally employed. This phenomenon reflects what the study conceptualizes as graduate devaluation, where educational attainment and professional skills no longer guarantee commensurate remuneration. The oil sector, once perceived as a premium labour market, increasingly mirrors low-quality employment conditions prevalent in other segments of the Nigerian economy.

Labour Casualisation and Job Insecurity

Another dominant finding is the normalisation of labour casualisation under Nigerian ownership. The study reveals widespread use of short-term contracts, third-party outsourcing, and renewable temporary appointments for roles that were previously permanent.

Table 4.3: Employment Contract Types (% of Workforce)

Contract Type	IOC / IOC-linked Firms	Nigerian-Owned Oil Firms
Permanent Employment	68%	22%
Fixed-Term Contracts	21%	44%
Outsourced/Casual	11%	34%

Source: Field Survey (2025)

Casualization has profound implications for job security, career development, and worker loyalty. Employees on short-term contracts report constant anxiety over contract renewal, limited access to training, and exclusion from welfare benefits. This insecurity discourages long-term commitment and undermines skill accumulation, ultimately affecting organisational productivity. Union officials interviewed described casualisation as a deliberate cost-control strategy rather than a temporary adjustment. One union representative noted:

“Casual workers do the same job as permanent staff, sometimes even more, but without protection. It is cheaper for the company, but devastating for the worker.”

Executive Opulence and Class Fragmentation

While workers experience declining wages and welfare, the study observes a contrasting trend of wealth concentration among indigenous company owners and top executives. Although detailed executive compensation data are often opaque, visible indicators such as lifestyle, asset ownership, and corporate disclosures point to significant accumulation of wealth at the top.

Employment as Underemployment

Perhaps the most consequential finding of the study is the recharacterization of employment in the Nigerian oil and private sectors as underemployment. Despite being formally employed, many workers lack adequate income, social protection, and job security. Employment, therefore, functions primarily as a survival strategy rather than a pathway to stability or advancement.

Table 4.4: Indicators of Underemployment among Respondents (%)

Indicator	Percentage of Workers Affected
No Medical Insurance	67%

No Pension Coverage	54%
Temporary or Casual Contract	61%
Income Insufficient for Basic Needs	58%
High Job Insecurity Anxiety	72%

Source: Field Survey (2025)

The persistence of underemployment is reinforced by Nigeria's high unemployment rate, which limits workers' bargaining power. Many respondents acknowledged remaining in unfavourable jobs due to fear of joblessness. This dynamic creates a labour market where exploitation is normalized and resistance is muted.

Psychologically, prolonged underemployment manifests in stress, diminished self-worth, and declining job satisfaction. Socially, it delays family formation, home ownership, and upward mobility, thereby reproducing intergenerational inequality. From a development perspective, underemployment in a high-revenue sector represents a significant misallocation of human capital.

DISCUSSION OF FINDINGS

The findings reveal a structural paradox at the heart of Nigerianisation. While indigenous ownership has expanded across Nigeria's oil and private sectors, labour welfare, wage stability, and employment security have deteriorated relative to earlier institutional arrangements. This outcome challenges the foundational assumption that domestic ownership would naturally align capital accumulation with national welfare.

From a political economy perspective, the results suggest that ownership transfer alone does not transform labour relations. Indigenous firms appear to operate within the same accumulation logic as foreign firms, but often with weaker regulatory oversight and fewer external accountability pressures. In the absence of strong enforcement of welfare standards, cost minimisation strategies disproportionately affect labour. Welfare provisions—medical insurance, pensions, housing allowances have shifted from institutional guarantees to discretionary benefits.

The findings also reinforce dual labour market segmentation. Across sectors, a protected minority of permanent employees coexists with a majority of contract and outsourced workers lacking social protection. This segmentation is particularly visible in Nigerian-owned firms, where permanent employment has declined sharply relative to IOC-linked companies. Employment growth, therefore, has occurred primarily within the secondary labour segment.

The recharacterisation of oil sector employment as underemployment is especially significant. High-revenue extraction industries are typically associated with premium labour conditions. However, the evidence demonstrates that formal employment does not necessarily provide economic security or upward mobility. Workers remain vulnerable to income shocks, health risks, and contract termination, undermining the developmental promise of resource extraction.

These findings suggest that Nigerianisation has prioritised participation metrics—ownership shares, contract awards, local procurement—over measurable labour upgrading. Without enforceable welfare benchmarks,

employment expansion can coexist with declining job quality.

Comparative Perspective: Nigerianisation and Global Local Content Regimes

To strengthen analytical clarity, it is useful to contrast Nigeria's outcomes with comparable local content regimes in other resource-rich countries.

In Norway, local participation policies were embedded within a robust welfare state architecture. Petroleum governance was designed not only to promote domestic ownership but also to ensure high labour standards, structured skills transfer, and strong union participation. Enforcement mechanisms, collective bargaining

institutions, and transparent regulatory oversight limited the scope for labour casualisation. Indigenous participation was therefore accompanied by sustained employment upgrading.

Similarly, Brazil incorporated local content requirements within a broader industrial policy framework. Although Brazil has faced fluctuations in enforcement over time, earlier phases of its petroleum policy linked domestic participation with technical training programmes and labour formalisation mechanisms. Compliance reporting and state monitoring reduced the gap between policy rhetoric and labour practice.

In contrast, Nigeria's implementation of local content under the Nigerian Oil and Gas Industry Content Development framework has emphasised quantitative participation targets—ownership percentages, contract allocation ratios, and local sourcing thresholds—without equivalent emphasis on enforceable labour quality indicators. While institutions such as the Nigerian Content Development and Monitoring Board monitor participation compliance, labour standards remain weakly integrated into performance metrics.

This comparative divergence is not merely administrative; it reflects structural governance differences. Norway's petroleum regime developed within a high-capacity state with strong labour institutions. Brazil's model emerged alongside industrial policy coordination mechanisms. Nigeria's regime operates in a context of regulatory fragility, high unemployment, and constrained union leverage. These structural conditions create stronger incentives for labour cost suppression.

The comparison clarifies that Nigerianisation's paradox is not inevitable. Indigenous ownership can coexist with labour upgrading when policy frameworks embed measurable and enforceable welfare benchmarks. Where such benchmarks are absent, ownership transfer risks reinforcing rather than transforming labour inequality.

CONCLUSION AND RECOMMENDATIONS

The findings of this study reveal a structural paradox within Nigerianisation. While indigenous ownership, contract allocation, and local procurement have expanded, labour welfare has not been systematically embedded within performance evaluation frameworks. Success under Nigerianisation is primarily measured through participation metrics—equity shares, contract values, and procurement ratios while employment quality remains weakly institutionalised.

This measurement bias produces unintended incentives. Firms may qualify as compliant based on ownership criteria while simultaneously reducing labour costs through welfare withdrawal, contract casualisation, and wage suppression. Over time, such practices normalise precarious employment even within high-revenue industries. The broader developmental consequences include declining productivity, weakened professional commitment, rising turnover, skilled labour migration, and widening income inequality.

The paradox, therefore, is not merely that labour conditions have deteriorated under indigenous ownership; rather, it is that the architecture of Nigerianisation has not operationalised labour dignity as a non-negotiable pillar of national participation.

Based on the study, the following recommendations were made for policy formulation.

- i. Local content certification should require firms to meet mandatory welfare thresholds, including Minimum 90% pension coverage for all employees after probation, mandatory employer-funded medical insurance covering occupational hazards and minimum 21 days paid annual leave for permanent and long-term contract staff.
- ii. To reduce excessive casualisation, firms should be required to report and meet minimum employment stability ratios: at least 60% of workforce on permanent contracts, renewable fixed-term contracts limited to a maximum of two cycles and transparent reporting of outsourced versus core staff proportions
- iii. Given inflationary pressures and cost-of-living realities, wage benchmarks should be tied to sectoral revenue capacity: Establishment of a sector-adjusted minimum professional wage floor for oil and high-risk industries

- iv. Institutions such as the Nigerian Content Development and Monitoring Board should incorporate labour benchmarks directly into local content evaluation metrics. Compliance scoring should include a labour welfare index weighted alongside ownership and procurement indicators.

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