THE DICTATORSHIP OF NEO-LIBERALISM AND THE NIGERIAN TRADE UNION MOVEMENT'S STRUGGLES FOR INCLUSIVE DEVELOPMENT.

By

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The last three decades witnessed widespread implementation of neo-liberalism in the for of liberal democracy and economic reforms in Nigeria. The authoritarian implementation of the reforms, however, raises concern about social exclusion in the development process. Hence, while Nigeria is credited with appreciable economic growth under the "democratic" period, it is paradoxically discredited with a high poverty profile, low human development ranking and entrenched corruption. These are pointers to enclave development in the country. Against the backdrop of a shift in development paradigm from state-led economy to private sector-led one by the Nigerian State from 1986 to 2006, the paper employs dominantly secondary data to evaluate the Nigerian development project in terms of the twin contested variables of economic growth on the one hand, and the quality of social existence on the other. The paper proceeds to detail aspects of paradigm contestations and related struggles by the civil society – championed by the Nigerian trade union movement. It embraces the imperial impulse and its bearings on the social contract, the consequent tensions as well as the implications of these for social inclusion in development and sustainable democracy in Nigeria.

INTRODUCTION

The deregulation of the downstream sector of the Nigerian oil industry is one of the reforms of the Obasanjo government. The first price increases of petroleum products took place on the 1st of June 2000. Deregulation was again a matter for discussion in February 2001, during President Obasanjo's monthly media chat. Responding to questions on the occasion he stated what was to become the official conception of the reform element as follows:

> *Deregulation means that at the moment the price at which product is being sold is not the cost price. The price at which product is being sold is artificial … or subsidized price. Deregulation means simply paying what it costs to produce fuel at the petrol pump so that the N200 billion that is being used to subsidize is no longer used to subsidize fuel. That money is available to do other things.*

Deregulation as conceived above is associated with hardship in Nigeria following the high inflationary trend that accompanies its implementation by past governments under different nomenclature – "subsidy withdrawal" under the Babangida regime and "appropriate pricing" under the Shonekan interim government and "correct pricing" under the Abacha regime. These for instance, led to the increase in the price of premium motor spirit (PMS) from N0.20 in 1985 to N2.00 in 1999 when Obasanjo was sworn in as the President.

Major arguments canvassed by the Obasanjo government for deregulation of the downstream sector of the oil industry are three-folds. First is the argument of freeing subsides for use in the provision of infrastructure. The second is that deregulation will control the smuggling of the products to neighboring West African countries where the prices are higher. The third is the globalisation argument of aligning the prices of the products to the international market prices. Importation of the petroleum products (at international market prices) in particular, was the government's way of making up for shortfalls in production arising from the poor performance of the four refineries in Nigeria due to lack of turn around maintenance over the years.

As will be shown later, the above arguments became the basis for policy contestation by the Nigeria Labour Congress (NLC); the counter arguments that raise concern for social exclusion. This refers to a situation of multiple deprivations that prevents individuals from participating in important areas of society's activities. The implicit counter arguments and the insistence (in alliance with civil society organisations), on inclusiveness in the reform project set the tone for unprecedented state-labour conflicts that took place from 2000 to 2006.

This paper is organised around four sections. The following section draws heavily from Human Development Reports and World Development Reports to discuss the value of inclusiveness, particularly in the form of political participation and social inclusiveness as contemporary development paradigm. The third section details the struggles of the NLC and the counter arguments associated with its struggles. The fourth and concluding section emphasizes the need for inclusiveness as a factor for the deepening of democracy in Nigeria.

THE ESSENCE OF INCLUSIVENESS IN DEMOCRATIC TRANSITION

Participation in the development process unleashes creativity potentials of people to contribute to human progress both for themselves and for society at large. Inclusiveness promotes social well-being of people by reducing human deprivation associated with the lack of access to opportunities for advancement. Participation reinforces inclusiveness and reduces democratic deficits common with democratic transitions. Otherwise, the socially excluded might be unable to find work, or actively participate in society's politics beyond voting at elections or be deprived of opportunity for leisure. It also includes exclusion from social security, financial security, relative access to leadership and decision making process. Implicated in these are relative poverty, inequity and broader range of ways in which people may be disadvantaged in society. Equity refers to the fact that "individuals should have equal opportunities to pursue a life of their choosing and be spared from extreme deprivation in outcomes" (The World Bank 2006:2). For related reasons:

> *People's participation is becoming the central issue of our time. The democratic transition in many developing countries, the collapse of many socialist regimes, and the worldwide emergence of people's organisations – these are all parts of a historic change – not just isolated events. .. People today have an urge – an impatient urge to participate in the events and processes that shape their lives. And that impatience brings many dangers and opportunities. It can dissolve into anarchy, ethnic violence or social disintegration. But if properly nurtured in a responsive national and global framework, it can also become a source of tremendous vitality and innovation for the creation of new and more just societies. The dangers arise as the irresistible urge for participation clashes with inflexible systems (UNDP, 1993:1)*

Inclusiveness also relates to the outcomes of economic growth. The role of economic growth in the advancement of people's well being has been a debated issue. The bearing of economic growth with human development is often erroneously regarded as a linear relation. But this is not always so. Where growth is not accompanied with inclusiveness, it may lead to lopsided development – an indication that there is no automatic link between growth and human well-being.

The record of economic growth and human development over the past 30 years shows that no country can follow a course of lopsided development for a long time – where economic growth is not matched by advances in human development or vice versa. Lopsided development can last for a decade or so, but it then shifts to rapid rises in both incomes and human development or falls into slow improvements in both human development and incomes. While globalisation has often helped growth in the strong countries, it has bye-passes the weak. The poorest countries with 20% of world's people have seen their share of world's trade fall between 1960 and 1990 from 4% to less than 1%. And they receive a meager 0.2% of the world's commercial lending (UNDP, 1996).

Lopsided growth associated with lack of inclusiveness also negatively affects the democratic transition, particularly in countries that have lived with authoritarian rule. The world has seen an unprecedented expansion of democratic freedoms since the end of the Cold War. During the 1990s, some 81 countries made significant progress towards democracy. By 2006, 140 countries in the world are holding multiparty elections. Despite these achievements, however, democracy in many countries, is taking root very slowly. Out of the 140 countries that hold elections, more than 100 still limit important civil and political freedoms. In many parts of the world, confidence in the capacity of democracy to change lives is also being eroded. This is because the ‘dividends of democracy’ often seem elusive to those who, having gained the right to vote, still struggle to feed themselves and their families. For instance, more than half of all Latin Americans – 54.7 percent say they would opt for an “authoritarian” regime over democratic government if authoritarianism could “resolve” their economic problems. Expansion in world merchandise trade in the last decade has been nearly twice as high as world output growth. In 2005, the value of world merchandise exports reached the $10 trillion mark for the first time. But inequality, both globally and within countries, is rising. In many developing countries where the economy has been growing steadily, income gaps have widened. In South Africa, which has enjoyed an average growth rate of 3.9 percent over the past three years, the poorest 10 percent of the population account for 1.4 percent of national income, and the richest 10 percent for 44 percent. (UNDP 2004; 2006a). (A similar trend obtains for Nigeria as will be shown shortly). Hence, while economic growth is an important driver of development, high rates of Gross Domestic Product (GDP) growth, budget surpluses and foreign exchange reserves are of limited value if they are not accompanied by a more equitable distribution of resources, improved access to healthcare and education, and sound environment policies, among others. (UNDP 2006b).

The Human Development Report (1996) similarly observed, that although more economic growth rather than less will generally be needed as the world entered the twenty first century, more attention must go to the structure and quality of that growth – to ensure that it is directed to supporting human development, reducing poverty, protecting the environment and ensuring sustainability.

Establishing a link between growth and improvement in human development requires a concerted action on the part of government:

Unless government take timely corrective action economic growth can become lopsided and flawed. Determined efforts are needed to avoid growth that is jobless, ruthless, voiceless, rootless and futureless (UNDP 1996:2)

The World Development Report (2001/01) similarly observed that, achieving reduction in poverty requires a more comprehensive approach that directly address the needs of poor people in three complementary areas: promoting economic opportunities for poor people through equitable growth, better access to markets, and expanded assets; facilitating empowerment by making state institutions more responsive to poor people and removing social barrier that exclude women, ethnic, and racial groups, and the socially disadvantaged; and enhancing security by preventing and managing economy-wide shocks and providing mechanisms to reduce the sources of vulnerability that poor people face. It also added that actions by countries and communities would not be enough. Global actions would need to complement national and local initiatives to achieve maximum benefit for poor people throughout the world (World Bank 2000/01). It is on the basis of the foregoing that a radical revision of old development concepts was advocated:

Security should be reinterpreted as security for people, not security for land. Development must be woven around people, not people around development – and it should empower individuals and groups rather than dis-empower them. And development co-operation should focus directly on people, not just on nation-states… Poverty anywhere is a threat to prosperity everywhere. (UNDP, 1993:8).

Drawing on the World Bank's 60 years development experience, World Development Report 2006 presents evidence on the inequality of opportunity, within and across countries, and illustrates the mechanisms through which it impairs development priorities. The Report goes further to advocate that public action should aim to expand the opportunities of those who, in the absence of policy interventions, have the least resources, voice, and capabilities. Domestically, it makes the case for investing in people, expanding access to justice, land, and infrastructure, and promoting fairness in markets. Internationally, the Report considers the functioning of global markets and the rules that govern them, as well as the complementary provision of aid to help poor countries and poor people build greater endowments:

> *The main message is that equity is complementary, in some fundamental respects, to the pursuit of long-term prosperity. Institutions and policies that promote a level playing field – where all members of society have similar chances to become socially active, politically influential, and economically productive – contribute to sustainable growth and development. Greater equity is thus doubly good for poverty reduction: through potential beneficial effects on aggregate long-run development and through greater opportunities for poorer groups within any society (The World Bank 2006:2).*

There is also concern about lack of inclusion in the labour market – a new and disturbing phenomenon – jobless growth which can be rectified if government can:

- Invest generously in basic education, relevant skills and retraining of workers;
- Liberate private enterprise and make markets accessible to everyone;
- Support small scale enterprises and informal employment mainly through reform of the credit system and fiscal incentives;
- Create an efficient service economy for the future by investing in the new skills required;
- Encourage labour intensive technologies, especially through tax incentives;
- Extend employment safety nets through labour intensive public works programmes in periods of major economic distress;
- Reconsider the concept of work and the duration of the work week, with a view to sharing existing work opportunities. (UNDP 1993).

Issues related to the above, were at the heart of the contestations of the NLC for inclusiveness in the neo-liberal economic reforms, on the one hand, and the political process and decisions associated with the reform elements, on the other – as the following section details.

LABOUR'S STRUGGLES AGAINST THE DICTATORSHIP OF NEO-LIBERALISM: THE CASE FOR INCLUSIVE GOVERNANCE

Under the democratic experiment 1999-2006 organised labour in Nigeria has been visibly involved in popular contestations to expand the democratic sphere. The President of the NLC, Comrade Adams Oshiomhole, within the frame work of what is referred in labour circles as the "new beginning" indicated the role of labour in the democratization process in Nigeria. At a rally in Abuja on November 18, 1999 organized by the Congress to commemorate the 50th anniversary of the Iva Valley massacre, the NLC President stated that the existing nascent civil governance expects trade unions to defend democracy in future. This expectation according to him, is correct because so far, the trade unions are still the only Pan-Nigerian outfits with organization, orientation, and vision to defend democracy in the event of future military incursion or the emergence of dictatorship (Oshiomhole 1999:2). Committing labour to a broad based agenda typical of social movement unionism, the President of the Congress further stated:

> *The new NLC will not accept workers and trade unions being confined to mere defenders of democracy. We have the mission of recreating a Nigerian labour movement that is definitely committed to the task of building a nation devoid of ills of the past, in particular, the vices and aberrations imposed on this nation by the military and its apologists (Oshiomhole 1999:3).*

The policy initiative to achieve these included alliances with civil society organisations. According to the NLC President "one of the cardinal policies of the present Congress is to establish links and collaboration with civil society organisations with whom it shares identical or common views on general and specific issues" (Oshiomhole 1999). Labour contestation against the unilateral increase in the prices of oil products by the Federal Government easily demonstrates the resolve of labour and indeed the Nigerian people to compel participation in the on-going reform in Nigeria which began in 1986 during the military regime of General Babangida. As Table 1 indicates, the price premium motor spirit (PMS) was increased from N0.20k to N20.00 prior to the Obasanjo era, and then N26.00 by January 1, 2002. By 2006, however, the Obasanjo Administration had increased the price of PMS to N65.00 representing an increase of 325% within the six year period 1999 to 2006. Similar increases were recorded for other petroleum products like diesel and kerosene.

TABLE 1: PRICE PER LITER OF PMS 1966 – 2004

Date	**Price Per Litre**	**Regime/Administration**	**%Increase**
Jan. 1966 – Sept. 1978	8 4/5	Gen. Aguiyi Ironsi Gen. Yakubu Gowon Gen. Murtala Mohammed	
Oct. 1, 1978	15 1/3	Gen. Olusegun Obasanjo	73.86%
April 20, 1982	20k	Alhaji Shehu Shagari	31%
Mar. 31, 1986	39 ½	General Ibrahim Babangida	97.5%
April 10, 1988	42	General Ibrahim Babangida	6%
Jan 1, 1989	42k commercial vehicles and 60k private	General Ibrahim Babangida	43%
Dec. 19, 1989	60k for all	General Ibrahim Babangida	43%
March 6, 1991	70k	General Ibrahim Babangida	16.6%
Nov. 8, 1993	N5.00	Chief Earnest Shonekan	614%
Nov. 22, 1993	N3.23	General Sani Abacha	
Oct. 2, 1994	N15.00	General Sani Abacha	361.5%
Oct. 4, 1994	N11.00	General Sani Abacha	
Dec. 20, 1998	N25.00	General Abdulsalami Abubakar	127%
Jan. 6, 1999	N20.00	General Abdulsalami Abubakar	
June 1, 2000	N30.00	Chief Olusegun Obasanjo	50%
June 8, 2000	N25.00	Chief Olusegun Obasanjo	
June 13, 2000	N22.00	Chief Olusegun Obasanjo	
Jan. 1, 2002	N26.00	Chief Olusegun Obasanjo	18.2%

Source: Fawehinmi 2002

The price increases of petroleum products, commenced on the 1st of June 2000 – barely a month after the Government announced increases in national minimum wage – at the state and federal levels. The NLC leadership reacted promptly to the increases in a press statement widely published in Nigerian dailies – indicating her objection to an unnegotiated outcome of the prices. Two days later on June 3, the Central Working Committee of the Congress held a meeting and formally demanded the reversal of the price increases. The position of labour was premised on the inflationary effects of such price increases, which often eroded the benefits of wage increases.

The government's reluctance to rescind its decision led to the general strike called by the NLC, which began on June 8, 2000. Labour collaborated with Nigerian students who joined the protests under the canopy of the National Association of Nigerian Students (NANS). The protests were widespread and effective as public sector and some private sector organisations closed down business in response to the NLC's call for strike. The Government was then compelled to negotiate with the leadership of the NLC. The government was first forced too revert to the status quo before negotiating marginal price increases of the products with labour (see Table 1). The observation of Barchiesi (1997:211) reflects the foregoing:

> *The construction of labour as an actor of political change is a process shaped by the relations between internal and international capital, union organisation and work place struggles, political mobilization and informal opposition … concerned with shifting boundaries between institutions and militancy, centralized bargaining and localized conflict, political and social alliances, commitment to democracy and living standards …*

By February 2001, the government indicated fresh difficulties in sustaining the agreed prices of the petroleum products and announced its intentions to further deregulate the prices. Within the framework of the debate that followed the Government indicated that every imported liter of petrol sold in the Nigerian market costs N40.35, and that at N22.00 per liter, Government was subsidizing the product to the tune of N18.35 per liter and this translates to N200-250 billion annually. The Congress in her resolve to check the government adopted a strategy of peaceful picketing, media propaganda and social movement unionism. The Congress Organised national rallies and marches in Lagos, Abuja and all states of the federation. These took place variously nation-wide at designated zones of the Congress between March 21 and March 27, 2001.

The action of the Congress resulted in a public hearing on the matter organized by the National Assembly Nigerian parliament) and public debates at various levels of the Nigerian public arena. After this the Senate President publicly disassociated the Senate from the planned deregulation of petroleum product prices - expressing SupportUPP0l1 for labour's position. The Federal government on its part employed the news media under its control to canvass support for the proposed price deregulation. The increases in the prices of petroleum products were, however, implemented on the new year - the 1st of January 2002. Fuel pump price was increased from N22.00 to N26.00 per litre, diesel went up to N26.00 from N21.00, while kerosene rose to N24.00 from N17.00. This caused untold hardship for travelers who were out there on Christmas and New Year holidays.

A more plausible reason advanced by the Government for the hike in the prices oil product was to channel the "subsidy" to the delivery of social services - as part of government's poverty alleviation programme. According to the National Chairman of the ruling People's Democratic Party, Chief Audu Ogbeh, the N250 billion purportedly used annually for subsidizing the importation of oil products, should rather "go into giving water, education and health" (Punch June 22, 2003). President Obasanjo similar stated:

> *Fuel price hike has come to stay... if all" money goes into burning fuel out through subsidy, you will not have money to have education, not even primary schools, not to talk of universities or polytechnics. So fuel price hike has come to stay (Saturday Punch. June 28 2003).*

Labour on its part has consistently argued that the government does not need to spend so much money on importation of fuel when Nigeria is a major exporter of crude oil in the world market. It indicated its disagreement with the government's deregulation arguments based on its conviction that Nigerians were already paying "appropriate prices" as citizens of the Organization of Petroleum Exporting Countries (OPEC). It argued that at a production cost of $4.00 per barrel and with the sale of crude oil to the NNPC at $9.50 per barrel government was already making profits rather than subsidizing. The NLC also stressed the adverse multiplier effects of deregulation of oil product prices in the form of inflation arising from higher costs of transportation and production. This by experience leads to retrenchment of workers - as companies face difficulties associated with lower demands of products (NLC 200 I). Indeed the Central Bank of Nigeria (CBN) made a somewhat similar observation in its Annual Report when it stated:

> *The phenomenal rise in oil prices, however, had some negative impact on the economy. The upsurge in the global price level, especially for petroleum products and manufactures, which Nigeria imported in large quantities, drove up domestic prices. Thus, domestic inflation had a dose of imported inflation. In addition, the price adjustment component of the deregulation if the downstream oil sector was halted temporarily, due largely to resistance to the price increases by organized labour lobby group (CBN 2005:41).*

Labour also argued that contrary to government's claims, the increases in petroleum products since 1985 have not been associated with significant improvement in the living conditions of Nigerians, but has tended to make it worse. This is because such subsidies have rarely been channeled to the social sector, due to official corruption.

The position of labour can be further understood when viewed against the backdrop of Nigeria's economic growth and human development performance. Nigeria has had an impressive profile of economic growth within the period of the Fourth Republic from 1999.

Table 2; Selected Macroeconomic and Social Indicators

Year	**2001**	**2002**	**2003**	**2004**	**2005**
Real GDP Growth Rates %	4.7	4.6	9.6	6.6	6.2
Oil sector	5.2	5.7	23.9	3.3	0.5
Non-Oil Sector	4.5	8.3	5.2	7.8	8.2

Source: Central Bank of Nigeria. Annual Report 2005

Table 2, shows that Nigeria's real GDP growth rates rose from 4.7 % in 2001 to an all time high of 9.6% in 2003. It remained impressive in 2004 and 2005 at 6.6% and 6.2% respectively. The rise in the demand for crude oil and petroleum products, especially from China, the US and India, raised the global demand for the commodities. Supply disruptions in Mexico and Iraq, as well as speculations surrounding the oil operations in

Iran, constrained effective supply from meeting rising demand. Consequently, the prices of crude oil and petroleum products rose substantially in 2005. For example, the average price of Nigeria's reference crude, the Bonny Light, which was US$44.49 per barrel in January 2005, rose to US$57.51 by December, and averaged US$55.12 per barrel for the year. Given the substantial increases in oil export and price, oil revenue rose by 41.8 per cent and constituted 85.8 per cent of total government revenue. The growth in the non-oil sector of 8.0 per cent was explained by structural reforms, including banking sector consolidation and privatization. (CBN 2005). The impressive economic performance for the year 2006 can also be gleaned from the CBN Report which stated:

> *Aggregate output in the economy measured by the gross domestic product (GDP) was projected to grow by* 7.5 *per cent during the third quarter of 2006. the same growth rate recorded in the preceding quarter. The growth was driven by the non-oil sector which was projected to have grown by* 12.8 *percent (CBN 2006: 1).*

Irrespective of the above economic growth, data from the National Bureau of Statistics showed that the number of registered unemployed with the Employment Exchange Offices increased by 1.3 per cent to 317,769. Further analysis showed that the number of registered unemployed in the professional and executive cadre rose significantly by 443.5 per cent to 22,533. In contrast the number of registered unemployed lower grade workers was 295,236, representing a decrease of 4.6 per cent below the level in 2004 *(CRN. 2005: 93).*

Observing that there is no automatic link between growth and human progress, the HDR 1990 identified three broad categories of human development experiences in the preceding three decades (1960-1990) based on how growth translates or fails to translate to human development as follows: countries with sustained success in human development - sustained human development as in Botswana and Korea; countries that had their initial human development success slowed down or reversed - disrupted Human development as in China and Zimbabwe; and countries that had significant economic growth but did not translate it into human development - missed opportunity in human development as in Chile and Nigeria (UNDP 1990).

Nigeria's knack for lack of inclusiveness has a historical dimension. While Nigeria's per capital GDP increased by a modest annual 0.6% in the 1960, it rose to a respectable 4% in the 1970s following the discovery of, and rise in the price of oil. The effect was that by 1980, the country's per capita GDP was about $1000.00 -one of the highest in Africa on the basis of which the country was classified as middle income. This trend reversed in the 1980s with per capita GDP falling by about 5% a year in the period 1980-87. The unsatisfactory progress in human development despite growth in the 1970s is attributable to unambiguously pro-rich federal government's capital expenditure in both urban and rural sectors and the fact that the structure of public expenditure thereafter did nothing to compensate for mal-distribution. This led to a failed trickle-down effect (UNDP, 1990). The Human Development Report (1991) also rated Nigeria among the low human expenditure category in terms of public sector spending (1988), with a human expenditure ratio of 2.2 compared with Zimbabwe's high category of 12.7 and Botswana's 7.7 (UNDP 1991). Hence labour in Nigeria has witnessed lopsided development associated with economic growth that did not translate to human development. Particularly note worthy is the fact that the adverse effects are often resolved at the disadvantage of labour - in the form of repressive labour laws and job losses.

Further evidence on the poor human development outing for Nigeria can be found in the fact that within the five year period (1989-1994) the proportion of Nigerian population below $1.00 (PPP) a day was only 28.9%. (UNDP 1999) but within the 14 year period (1990-2004) the proportion rose astronomically to 70.2 while the proportion living below $2.00 similarly rose from 92.4 (World Bank 1998). Life expectancy which had risen from 40 yrs in 1960 to 58 years in 1987 (UNDP 1990), similarly nose dived to 43.3 years by period 2000-2005 (UNDP 2006). High level of inequality is also implicated in the Nigerian situation. In 1992-3, the percentage share of income of richest 10% was 31.4 while that of the richest 20% was 49.4. These increased to 40.8 and 55.7 respectively in 1996-97, compared with the share of the poorest 10% and poorest 20% at 1.6 and 4.4 respectively. These pushed the Gini co-efficient index of Nigeria from 45 in 1992-3 to 50.6 in 1996-97 (UNDP 2003).

TRENDS OF HUMAN DEVELOPMENT INDICATOR IN NIGERIA 1975-2004

Year	**1975**	**1980**	**1985**	**1990**	**1995**	**2000**	**2004**
HDI Value	0.317	0.376	0.387	0.407	0.419	0.433	0.448

Source: Human Development Report 2005

The rate of economic growth which far outstrips the rate of population growth of 2.9% does not commensurate with the creeping improvement in human development indicator as evidenced in the marginal increases from 0.387 in 1985 to 0.448 in 2004 - a period of about two decades.

Against the foregoing backdrop, the NLC provided the following options as alternative measures to deal with the problem:

- Given the excess refining capacity around the world and in the neighboring West African countries in particular, government could refine crude for local consumption for a refining fee in neighbouring West African countries like Cote d'voire - rather than depend on importation of finished products.
- The management of the inefficient refineries in Nigeria could be contracted out to more technical expertise - if the incompetence of the Nigeria National Petroleum Corporation (NNPC) continues.
- There are potentials for the liberalization of the petroleum industry as distinct from price deregulation. "As many people as possible can set up refineries and refine the products. Nigerians are not opposed to more participation in the industry.. (NLC 200 1:6).

As a result of the uncompromising stance of the government on the issue, the NLC emphasized that "government must govern by the consent of the people” (NLC 2001: 6). Labour proceeded on a belated strike on the 16th of January 2002. This followed the expiration of a 7-day strike notice to the government (on the 8th of January 2002). The Federal Government resorted to an Abuja High Court on the first day of the strike and won a judicial victory as the strike was declared illegal. On the basis of this the NLC president and other officials of the union as well as the President of the Academic Staff of Union of Universities (ASUU) were arrested and charged to court for breaching public order, while the strike was officially called off on the January 2002, by the Central Working Committee (CWC) of the NLC. The arrested labour veterans were released on bail while the House Committee on Petroleum convened a meeting with stakeholders in the petroleum industry on January 23, 2002 to seek a resolution to the crisis.

The wisdom of labour’s position was however later demonstrated on the 19th of March 2002, by the Senate's overwhelming defeat of a belated Executive Bill that sought to formally confer authority on the government agency - the Petroleum Product Pricing Regulatory Agency (PPPRA) to determine the prices of petroleum products. The Senate also used the occasion to caution the Federal Government against further increases of the products (The Monitor March 20, 2002).

The Obasanjo Government, however, on June 20, 2003 (a few weeks into the second tenure of the Obasanjo administration announced a new price regime for petroleum products with a whooping 53.8% price increase for PMS - from N26 to N40), with similar increases for other products.

In response to the new price hike, the NLC summoned an emergency meeting of its National Executive Council (NEC) at Abuja on Tuesday, June 24, 2003 after which the Congress gave the Federal Government seven days strike notice to revert to the former prices or risk a popular protest.

Foreclosing the possibility of a truce with labour on the new oil product prices, the Federal Government emphasized that the hike in prices were irreversible. The government on Friday, June 27, 2003 once again obtained an injunction granted by an Ikeja High Court in Lagos which restrained the President of the NLC and all the 29 affiliates of the Nigeria Labour Congress from going ahead with the strike planned to take effect from Monday. June 30, 2003. The injunction was later to be at the center of a contempt case instituted by the government against labour, which this time went ahead with the strike irrespective of the injunction. In a press release of June 29, 2003, signed by its President, the NLC pointed out the authoritarian nature of the implementation of the neo-liberal reform and the need to resist it in the light of inclusive democracy:

> *The current campaign of the labour movement is not a trade dispute but a popular campaign aimed at opposing an obnoxious policy of prohibitive fuel price increase that will sentence the people to increased poverty... Having failed to avail itself of the offer of dialogue by the NLC and TUC, the Federal Government has declared a war on public welfare and the stability of the polity. Government has also tried to redefine democracy as excluding the will of the people. ... the leadership of the NLC and the TUC are also determined to execute the mandate* of *their National Executive Councils to give leadership to this process, despite the conspiracy of the Federal Government and the judge (NLC, June* 29*, 2003).*

It would seem from the above that labour was making a concerted effort to communicate to the Federal Government that the struggle against the hike in oil product prices was a public interest issue rather than a typical trade dispute. It followed, therefore, that labour was playing its traditional vanguardist role. The NLC release in this regard emphasized the democratic significance of the protest - that more than the reversal of the increases in the prices of the oil products, the planned protest was aimed at combating a creeping authoritarianism which became more prominent with President Obasanjo's deregulation project. Hence, for Nigerian workers and people, the challenge of the strike according the Congress was not necessary the reversal of the increases in the prices of petroleum products. The real challenge was in ensuring that the Nigerian workers and people do not loose their right to protest under a democratic constitution, which guarantees fundamental freedom (NLC, June 29, 2003). This is corroborated by the observation that:

> *People are the best advocates of* their *own interests* – if *they have the opportunity to do so. Ensuring full participation in the community and in the nation is thus often the best routes for reform minded government to take. But ensuring people's participation cannot mean letting them be responsible for themselves. It requires active, enabling support from the government, and decentralizing decision-making on development (UN DP* 1991: 71).

On Monday June 30, 2003, therefore, the NLC made good its word to initiate a nation-wide protest. The withdrawal of commercial vehicles from the roads following the directive of an affiliate of the NLC, the National Union of Road Transport Workers (NURTW) to its members (Sunday, Punch June 29, 2003) gave impetus to the strike as workers who were willing to conform to the Federal Government directive, to shun the strike got dislocated, and made of no effect, the no-work, no-pay threat by the government. It was not only road travelers that were affected by the strike. Activities at the seaports and airports were also paralyzed as passengers became stranded.

Opposing the new prices, the Alliance for Democracy (AD) recommended N18 for fuel and N8 for kerosene and called for the scrapping of the Petroleum Product Pricing Regulatory Agency (PPPRA) stating that the loss of N250 billion ($1.8 billion) annually claimed to be spent on the oil product subsidy was enough to build modern and efficient petroleum refineries in the country. The Academic Staff Union of Universities (ASUU) similarly regarded the hike in prices as based on "false economic argument" (Vanguard June 23, 2003).

The National Economic Intelligence Committee (NEIC) set up by the government also expressed fears that the new rates would impact negatively on inflation in the country. In a widely publicized report the Committee observed among others, that "the inflation rate would rise to 11.64 percent up from the previously projected rate of 9.45 percent" (The Punch July 2, 2003).

The Organized Private Sector (OPS) represented by the Manufacturers Association of Nigeria (MAN) Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and the Nigeria Employers Consultative Association (NECA) opposed the increases and urged the federal government to repair the four refineries rather than import fuel. Manufacturers also argued that the price hike defied market logic in an' era when locally produced goods are striving to penetrate international market through competitive price structure, expected among others to be buffeted by the enthronement of lower production cost regime. In response to the smuggling argument by the government. the Chairman of Motor Vehicle and Miscellaneous Assembly Sector Group of the Manufacturers Association of Nigeria (MAN) observed as follows:

> *Fuel by the nature of its packaging and transportation, cannot be easily smuggled out. It's unlike textiles or electronic wares. It's odd to say the fuel tankers would escape the attention of security agents. If you move a whole tanker of across the border unnoticed, manifest collusion with official agents must have taken place* (The Guardian, July 2, 2003).

In the same vein, the Committee for the Defence of Human Rights (CDHR) in a communiqué of the National Executive Council that held in Akure July 12 2003, indicted the Government of deceit and misleading the Nigerian people on the oil product prices:

> *The publication by the Nigerian National Petroleum Corporation (NNPC) of its "Report on Operations January - December 2002" shows that the government's claims of N250 billion subsidy on fuel are false. Indeed the report shows that NNPC had a surplus of over N312 billion, on its operation in crude and refined fuel (The Punch August 1, 2003).*

Regarding the government's action as having been fired up by the overarching desire to please the World Bank and the IMF the statement wondered why the government ignored concrete allegations of massive smuggling of crude oil and corruption surrounding the management of crude meant for domestic consumption, yet blocking this leakage will generate more funds for development than the punitive tax imposed on Nigerians. The CDHR also condemned the "frequent and obscure use of court process and procedures" which had become the hallmark of the Obasanjo administration:

> *Injunctions. obtained through exparte motions have been used to stop mass protests against fuel hike; to change the list of the elected representatives as in Anambra and Oyo States; to stop court proceedings involving the legislature against the executive arms of government and vice versa etc. Court orders are openly and regularly disregarded. The independence of the judiciary is grossly undermined by deliberate under-funding by the executive arm of government. (The Punch, August, 2003).*

On June 26, 2003 the NLC/TUC coalition reached an understanding with civil society organizations in Lagos on strategies towards a successful protest. The protests however, recorded widespread casualties as a result of police brutality of protesters especially in Abuja, the country's capital, Lagos the country's commercial capital and Port Harcourt - the oil city. At the end of the strike the death toll was estimated at 21, apart from several severe injuries sustained by protesters as a result of police brutality. . At the Abuja Federal Secretariat, for instance, armed policemen who rode in more than 10 patrol vans invaded and condoned off the national headquarters of the Nigeria Labour Congress (NLC). The action precipitated skirmishes and stampede, which led to serious conflicts around the capital city, Abuja.

In a statement signed by the NLC President, the Congress made particular reference to police brutality - the shooting of four innocent and unarmed protesters with firearms at Maraba and Nyanya, Abuja, and described it as "a virtual throwback to the dark ages of military rule, when police became an instrument for suppressing peaceful agitation, pickets and protests". The statement regretted the massive and indiscriminate use of live ammunition and tear gas by the police which were reported in various parts .of the country, especially Lagos and Abuja. According to Oshiomhole, "I was personally manhandled and tear gassed at the Federal Secretariat, in the midst of what was a peaceful picket". (The Guardian, July 2, 2003).

At least 3 persons were reported killed in Port Harcourt as a result of clashes between policemen and protesters who were mainly students (The Guardian July 3, 2003). At the University of Calabar, Nigeria, an estimated 10,000 students demonstrated peacefully within the campus against the hike in oil products. They bore a mock coffin with the inscription "your inhuman policies are buried" (The Guardian July 4, 2003).

Meanwhile the strike compelled the federal government to negotiate with the labour movement which led to a truce of N35 for the PMS on the basis of which the strike was called off. In his statement on the issue, the NLC President again observed that the gain of the struggle was not just the reduction of N6.00 from the initial price regime, but also an affirmation of the legitimacy of public welfare as the basis of public policy. In his words:

> *the masses of our people have boldly and unanimously asserted their sovereignty and resolve in the face of policy insensitivity and authoritarian intolerance exemplified by the recent price increases and the repressive measures to sustain it (Vanguard July* 9, *2003).*

CONCLUSION

Reforms should be homegrown and home owned and should reflect the exigencies of the local environment. The implementation of such reforms should also be participatory and inclusive. This tends to reduce the antagonism associated with reforms and related tensions. Reforms implemented in much of Africa are imposed by the International Monetary Fund (IMF) and tend to bypass certain socio-economic realities of peoples in the region, particularly as this relates to such factors as high dependency burden on the working class, inadequate social safety nets as well as overbearing, but corrupt and failed state. The contestations of the labour movement in the area of neo-liberal reform policies of the Nigerian government must, therefore, be viewed in the light of the former's social experience with the State. The civil society as an important actor in governance must be carried along in the conception and implementation of such policies that affect the people. This has the implication of sensitizing governments to be people oriented in the distribution of benefits that accrue from economic growth and the democratic transition for an emerging democracy like Nigeria, and given its historical experience with dominantly corrupt and repressive ruling classes it is' important to note that:

> *In order to change the direction of economic development, or rather underdevelopment in Africa and elsewhere, popular struggles ... aim at and succeed in reducing the violence and power of the state… aim at and succeed in inculcating into the ruling classes some respect for the inviolability of the life of the citizens of their country and the rights of the people to protect their means of survival (Freyhold, 1987:30).*

Instead of the dictatorship of the market new partnerships are required between the state and the market to combine market efficiency with social compassion:

> *If the states are to survive they will have to establish new relationships with their people. Governments that have been able to respond sensitively and flexibly have so far been able to keep their countries intact. Others have not and their states have come under increasing pressure. Greater people's participation is no longer a vague ideology based on wishful thinking of a few idealists. It has become an imperative - a condition of survival (UNDP, 1993: 99)*

The policy contestations integral to the struggles of the Nigerian labour movement for inclusiveness in the development process has in the least, yielded moderate democratic benefits in deepening the texture of democracy in the Nigerian Fourth Republic.

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