

Deregulation and Anti-Subsidy Removal Strikes in Nigeria, 2000 -2012

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ABSTRACT

For the last few days, economic activities have been grounded throughout the country by the on-going strike embarked by labour unions and the civil society groups to protest the removal of fuel subsidy and the resultant increase in petrol price from N65 to between N141 to N200. The strike action, which has already gulped several billions of naira, has indeed put to question whether the continued statement in the federal government and organized labour and civil society organizations talks is not actually costing the country more revenue than the estimated N1.3 trillion the federal government pays oil marketers yearly. Instructively, the federal government said it as withdrawing the subsidy because it was draining the nation's resources and would collapse the economy in the next two years or there about if retained. After six days of the strike, the country has already lost over N1.3 trillion than it would have spent subsidizing fuel for another year. One therefore, begins to wonder the sense in the removal of the subsidy. For instance, the presidency says the subsidy was removed in order to save cost. But, the on-going strike has already resulted in huge revenue loses. Nigeria has a long history of increase in fuel price; and it dates back to the day's o General Yakubu Gowon in the early 1970s. The deception of claiming to remove subsidy came with the supposedly Obasanjo's democratic era. He increased it severally before he exited office from N20 to N70. The late Yar'Adua went against the trend and reduced it to N65. Finally, as at today, Jonathan regime has jerked it up to N141. For many Nigerians, the government has done it worst by increasing the price of petrol and they have to do all in their power to resist it. The paper concludes by positing that government is merely taxing the poor to subsidies the life of the rich.

KeyWords: Subsidy, deregulation, strike, downstream oil sector, good governance, accountability

INTRODUCTION

The Nigerian Labour Congress (NLC) has aptly demonstrated that it still commands the respect of most Nigerians. I say this considering the substantial compliance of its nationwide strike order in protest of fuel subsidy removal. Expectedly, Nigerians troop out to protest the subsidy removal, which they consider punitive, ill-timed and ill advised.

The nation's economy was literally put on hold while the strike was on. Schools, petrol stations, banks and markets were shut down in compliance of the order. In some major cities across the polity, there were disruptions of movement by anti-subsidy removal agitators who set bonfires on the roads. In most streets in the metropolis, idle youths were seen playing football, while in some areas hoodlums exploited the strike and had a field day. Small trading that went on was only visible in some neighbourhood streets.

Organized labour has insisted that government must go to the former pump price of N65 per litre of fuel before the current deregulated price of N141 per litre of petrol. The House of Representatives on its emergency sitting on Sunday (8th January, 2012) urged government to reverse itself and return to former price of N65 per litre of petrol so that it will go into dialogue with labour.

The Lower Chamber resolved too that labour should shelve its current call for strike so as to negotiate with government. Regrettably, neither government nor labour heeded the House's call. Labour hailed the House's decision and urged the Senate to do the same.

Not even the launching on Sunday of the 1600 mass transit buses by President Goodluck Jonathan and the various appeals by government's agents could make labour to call off the protest. Not even the purported 25 percent cut in salaries of political officeholders can make Nigerians see reasons with their embattled President who decided to wage so many battles against the populace all in one swoop without considering their consequences.

All the sermons and rhetoric of fuel subsidy removal appear to have fallen on deaf ears. The people no longer trust this government which in one breathes promised us fresh air and vowed that it will not inflict pains on Nigerians only to inflict the same people with the worst pains ever in the history of Nigeria some hours after the promise.

All governments from Obasanjo's first coming to his second coming have one way or the other deregulated the oil sector, which we have been made to understand, as price hike in petroleum products. The most notorious were Obasanjo and Ibrahim Babangida regimes.

Now as 100 percent (115 percent) price hike of petrol, Jonathan's regime will appear to be the worst if he does not reverse himself. There is no gain saying that Jonathan came to power with lots of goodwill from Nigerians. He appears to have fritted away all of them.

Nobody believes the president who went to school without shoes. Nobody believes that he is neither Pharoah nor Nebuchednezzar. Nobody believes that Jonathan would rule Nigeria without iron hand. There is no doubt that the transformation train has hit a brick wall and the citizens are resisting the imposition of hardship under the guise of fuel subsidy removal. What Jonathan is doing is against all his

campaign promises of turning the economy and making all Nigerians happy. He is inflicting greater pains on Nigerians by his every policy. He does not honour agreement.

In fact, the subsidy removal apostles are economical with the truth. The whole exercise is riddled with fallacies. It is not true that the way Jonathan is going about the subsidy removal is the best way to deregulate the downstream oil sector.

Nigerians have in the past five days reacted angrily to Government's actions on the fuel subsidy. Nigerians have concluded that their leaders are truly detached from the reality of economic hardship endured by Nigerians. This is so because virtually all high government officials and their families feed and live off tax payers' funds, yet they enjoy outrageous salaries and other emoluments. In some cases the amount budgeted for feeding and catering is as much as N 1 billion. Government officials travel limitlessly around the globe for the flimsiest of reasons collecting estacodes in billions even where the object of most of these journeys can be achieved by simply browsing the internet. Consequently, Nigerians have reacted spontaneously to this unwise and ill-motivated maneuver by demonstrations and other forms of protest nationwide. The aim of this paper is to discuss the history of subsidy removal strikes in Nigeria and the lesson the present Jonathan can learn to enhance collective bargaining, industry peace and harmony.

CLARIFICATION OF CONCEPTS

Deregulation

This refers to a gradual withdrawal or removal of regulations in the economy. It is a way of liberating the economy (Ojo, 1999). It is a way of removing impediments to trade, the movement of goods and services thereby allowing for the free interplay of the forces of demand and supply in the determination of the prices of commodity.

According to Bankole (2001) deregulation entails the following elements:-privatization, removal of price control, to a large extent elimination of barrier to (1999 participation in all aspects of production, supply and distribution of goods and service by private businessmen. He believes that a regulated market can lead to shortage in supply which will give rise to hoarding and the existence of black market in the economy. Deregulation as accepted is sometimes used interchangeably with liberalization which has been defined as follows by the British Council Programme and sector that promotes policy and institutional change designed to free internal and external markets for goods and services, improving efficient operations of markets, correcting markets, distortion, restructuring enterprise and institutions in public sector, and strengthening public revenue and expenditure planning and management (<http://www.britishcouncil.org/government/ectin/liberal.htm>,1999).

Deregulation implies the absence of control or regulation of the prices of petroleum products of government leaving the determination of prices to the interaction of forces of demand and supply which also rule out subsidy and encourage competition, efficiency and increase output in the petroleum industries (Umoru, 2001). Deregulation pre-supposes market forces as the determinant of prices rather than a decision to fix price by administrative fiat. It is the process of freeing federal government of its

concurrent control and involvement in the business of refining, importation, and distribution of refined petroleum products in the Nigerian market.

In a popular parlance, to deregulate means to do away with the regulations concerning financial markets and trades. Ernest and Young (1988) posit that deregulation and privatization are elements of economic reform programmes charged with the ultimate goal of improving the overall economy through properly spelt out ways.

For example, freeing government from the bondage of continuous financing of extensive projects which are best suited for private investment by the sale of such enterprises; encouraging efficiency and effectiveness in resources utilization; reducing government borrowing while raising revenue; promoting healthy market competition in a free market environment; improving returns from investment and broadening enterprises share ownership thus engendering capital market development (Izibili and Aiya, 2007:228).

Put differently, deregulation in the economic sense means freedom from government control. According to Akinwumi et al (2005), deregulation is the removal of government interference in the running of a system. This means that government rule's and regulations governing the operations of the system are relaxed or held constant in order for the system to decide its own optimum level through the forces of supply and demand (Ajayi and Ekundayo, 2008:212).

Deregulation allows enterprises and services to be restricted as little as possible. For our purpose, deregulation means either the partial or total withdrawal of government controls in the allocation and production of goods and services. The question that should be asked at this juncture is what are the gains of deregulation in Nigeria? This question cannot be convincingly answered in isolation of the theoretical foundation of deregulation.

The most contentious issue in Nigeria is arguably the question of deregulation of the oil sector which has been generating heated debates from its protagonists and antagonists.

The protagonists posit that the liberalization and deregulation of the down stream sector of the petroleum industry would finally actualize the objective of ending perennial fuel scarcity and maintaining sustainable fuel supply across the polity.

It also added that liberalization and deregulation of the sector would open it up for foreign investments, and, the incidents of petroleum products smuggling and inefficiencies in the sector. Besides, the thesis argues that petroleum products in Nigeria were the lowest in the world and with deregulation; the government would be able to channel funds to other sectors of the economy.

Furthermore, the protagonists equally posit that deregulation would break the monopoly of fuel supply by the Nigerian National Petroleum Corporation (NNPC). As the refineries were not working, the liberalization and deregulation would enable either stakeholders, including major and independent marketers, to import and market products.

As the NNPC lacks the capacity to import enough petroleum products for the country, couple with the perennial malfunctioning of the refineries, the government's introduction of the Petroleum Support

Fund (PEF), from which it draws money to pay the excess expenditure incurred by the marketers for importing and selling petrol at regulated price and distributing it to every part of the country, should be stopped the thesis concludes. The major proponents of this thesis include the Federal Government, the Presidential Steering Committee on the Global Financial Crisis, the Nigerian Economic Summit Group (NESG).

The antagonist believes that the Nigeria petroleum industry must not be liberalized, or deregulated, or privatized completely, for whatever reason and that the status quo should remain, maybe with minor fine tuning "here and there" to improve efficiency, as appropriate, "in the overall national interest".

This thesis also posits that the low capacity utilization of Nigeria's state-owned refineries and petrochemical plants in Kaduna, Warri and Port Harcourt, the sorry state of despair, neglect and repeated vandalization of the state-run petroleum product pipelines and oil movement infrastructure nationwide, the collateral damage of institutionalized corruption, with the frightening emergence of local nouveau riche, oil mafia that controls, and coordinates crude oil, and refined petroleum product, pipeline sabotage and theft (illegal bunkering) nation wide, the insatiably corrupt Task force operatives that assist diversions of both crude oil and petroleum products, large-scale cross-border smuggling of petroleum products, of all of which are the root causes of the protracted and seemingly intractable fuel crises that have bedeviled the polity relentlessly for close to a decade now, are all predictable outcome of government involvement in the down stream sectors of the Nigerian petroleum industry.

Finally, they posit that deregulation helps increase profit margin for the importers. Essentially, this extreme is the implied position of the Nigerian Labour Congress (NLC) and the organized civil society.

Between this extreme is the third thesis that believes that deregulation is desirable in freeing government of its concurrent control and involvement in the business of refining, importation and distribution of refined petroleum products in the Nigerian market. In the opinion of this proponent, the deregulation of the petroleum industry in Nigeria should be implemented in phases, so as to enable the state-owned monopolies to regain efficiency, before full privatization.

Fuel subsidy was before the coming of the Jonathan administration, a policy of federal government meant to assist the people of Nigeria to cushion the effects of their economic hardship. Conceptually, fuel subsidy seeks to enhance financial capacity but also to accept the implied financial losses by it in the spirit of its national responsibility to ensure the well being of the populace. In other words, if a product, like fuel, is to sell for N141 per litre, but for some considerations, it cannot be sold at that rate but at N97 per litre and if government then accepts to pay the difference between N141 and N97, that is N44, this simply means that there is a subsidy to the tune of N85 for every litre purchased at the filling stations. What are particularly significant about the fuel subsidy are its politics and its national and international implications. At the domestic level, both the proponents and opponents of fuel subsidy have valid theses. Secondly, both of them also maintain a non-compromising altitude. That is, while the government is talking about no alternative to removal of petrol

subsidy to the opponents insist on no negotiation with government until government restores fuel subsidy which was removed on January 1, 2012.

Thirdly, the disagreement over removal of fuel subsidy has led to a nation wide-strike whose implications have now gone beyond the economic considerations of oil subsidy. In fact, the international dimensions are such that Nigerian's international image has become first victim.

Beyond these considerations, the removal of oil subsidy has provided a good platform for national reflection. One of the issues is the extent of political sovereignty. This is because true sovereignty belongs to the people. The paper concludes by positing that there is no disputing the fact that both the politics of oil subsidy removal and the strike have become a compelling factor for governmental accountability and good governance. It will go a long way in defining the success of President Jonathan in 2015 and the regimes after.

Pump Price Adjustments in Nigeria and their Fallouts

It is rather ironic to posit that oil wealth which serves as the source of fortune for many countries is the main source of fortune for many countries is the main source of Nigeria's misfortune. At least Nigeria was economically steady and progressive before the so-called oil boom. At least there was no oil money when Nigeria went through a civil war for 30 months without borrowing one kobo. Why has oil become oil doom?

In his nine years in office as Head of State, General Yakubu gowon took the price of petrol from 6kobo to 9.5kobo per litre. After him was General Murtala Ramat Muhammed who never tampered with the price of oil till his death in 1976. It was General Olusegun Obasanjo who first took fuel price by a leap moving it from 9.5kobo to 15 kobo. The regimes of Shehu Shagari and General Muhammadu Buhari maintained the status quo as they never increased fuel process and Nigeria did not fail as a nation.

When the self-styled military President Ibrahim Babangida took over in 1985, his first focus was oil. It was he who moved the price of petrol from N15kobo to 70kobo in his eight years of governance. But by far the greatest leap of oil priced in Nigeria was introduced by Chief Ernest Shonekan, an interim Head of State who took the price from 70kobo to N5.00 within the 87 days of his illegal rule.

Then, General Sani Abacha forcefully hijacked power from Chief Shonekan and moved petrol from N5 to N11 within his five years in office. When Abacha died in 1998, General Abdulsalami Abubakar became the Head of State and virtually concentrated on oil. It was he who took the price of petrol from N11 to N20 within the ten months he ruled Nigeria. When General Obasanjo returned to office as elected President in 1999, his first point of call was oil capitalization on the precedent laid by his predecessor, he went ahead to raise the price of fuel from N20 to N70 within eight years he spent in office. It was this singular action that pushed the masses to start kicking against such actions.

Subsidy removal has been on since 2000 during the tenure of former NLC President, Adams Oshiomhole. The Administration of former president Olusegun Obasanjo increased petrol pump price from N11 to N30 per litre. The price hike raised a lot of dust. For eight days; the economy was at a stand

still. The government later reduced the price to N20 per litre. The table below x-rays the various petrol adjustments in Nigeria since 1978.

Table I: Various Petrol Adjustments in Nigeria Since 1978

S/No	Date	Administration	Price	Percentage Change
1	1978	Obasanjo	15k	
2	1990	Babangida	60k	300%
3	1992	Babangida	70k	17%
4	1992	Babangida	N3.25k	364%
5	1993	Babangida	N5.00	54%
6	1994	Shonekan	N11.00	120%
7	1994 – 1998	Abacha	N11.00	-
8	1998 – 1999	Abacha	N20.00	82%
9	2000	Obasanjo	N20.00	-
10	2000	Obasanjo	N22.00	10%
11	2001	Obasanjo	N26.00	18%
12	2003	Obasanjo	N40.00	54%
13	2004	Obasanjo	N45.00	13%
14	2007	Obasanjo	N70.00	56%
15	2007 – 2009	Yar'Adua	N65.00	0.07%
16	2010 – 2012	Jonathan	N65.00	-
17	2012 till date	Jonathan	N141.00	117%

Compiled by the author

According to Eme (2011) the Nigerian down stream oil sector is characterized by under-funding, shortage of Petroleum products nationwide, product adulteration, vandalisation of products distribution and shortage of facilities and poor and non-maintenance of facilities, especially the Turn-Around maintenance (TAM) of the nation's four refineries. The oil pipelines and depots also suffered many years of neglect and their vandalisation negatively impacted on the operational efficiency of the oil industry gave rise to the call for deregulation of the petroleum industry. The fallout of the above scenario was incessant fuel shortage fuel price hike and rise in the prices of essential commodities.

It is worthy to note that before 1980, hardly any petroleum products were imported as the four local refineries were functioning properly and were regularly maintained. However, from the 1990s the sudden surge in importation occasioned by the factors identified by Eme (2011) made the President to constitute a special committee to review petroleum products supply and distribution in Nigeria. The sudden surge in importation occasioned by rising domestic consumption and partly operational breakdown of all the local refineries led to the adoption of deregulation policy in 2000. Initially, it was planned to be implemented in phases in order to protect the local refineries.

Deregulation essentially deal with free entry and exit from marketing of petroleum products by individuals who will have the capacity with less government restrictions of manipulation. It also ensures that private initiative and capital is deployed to attain competitive efficiency and pricing system determined by the international market. This view is not in conformity with the federal government integrated subsidy initiative that seeks to relieve Nigerian consumers from the vagaries of the international

market shocks. But the PPPRA that was put in place by government could not ensure strict and regular monitoring of the market trends to provide Nigerians with up-to-date data from the international oil market.

Towards the last quarter of 2011, the erstwhile Minister of Finance, Mallam Adamu Ciroma during the 2002 budget preparations had assured Nigerians that the Federal Government had decided not to tax the products sold at filling stations at prevailing prices. With obvious contradictions, on January 1, 2002, Chief Rasheed Gbadamasi led PPPRA moved petrol price from N22 to N26 per litre, an increase of 18.2 per cent at a time the 2002 budget had not been approved. Chief Gbadamosi had insisted that the marginal increase in petroleum prices signaled the commencement o deregulation of the downstream oil sector. He also hinted that fuel prices would be reviewed every quarter of the year. He concluded by positing that market deregulation or liberalization is an economic policy that seeks to free downstream sector from the grip of governmental control or restriction (Igbadu, 2002:12).

On June 16, 2002, the PPPRA proposal was accepted. Fuel price moved from N22 to N26. Labour went on strike, but on the second day of the strike action, the government arrested labour leaders and changed them to court. The court declared the strike illegal. Government impression perhaps is that the policy would break the monopoly of NNPC on oil sector, though the fundamental idea behind increase was to shore up its oil revenue. Therefore, it is obvious that the governments are unmindful of the impact and timing. Barely a year after government increased petrol price from N26 to N40 per litre. The labour strike began on June 30, 2003. it was called off on July 8 after petrol price was reduced to n34 per litre.

On June 9, 2004, petrol pump price was increased to N50 from N34per litre. Labour went on a three-day strike. It was also headed to court. The Federal High Court, Abuja ordered a return to the status quo. The price was reversed to N34 per litre. Government and NLC later agreed to a new price of N42 per litre. Government set up the 19-member Senator Ibrahim Mantu-led Committee on palliatives when labour, again hiked, following the price increase of petrol on October 11, 2004 from N42 to N52 per litre. Government urged the committee to submit a report on how to cushion the effect of the high cost of petrol on the masses.

On September 25, petrol price was again increased from N52 to N65 per litre. Mass protests organized by NLC and a coalition of civil society organization resulted in reversal.

Again on June 20, 2007, shortly after the emergence of Omar as NLC president, petrol price went up from N65 to N70 per litre. Negotiations between the late President Umaru Yar'Adua's government and labour resulted in a return to the status quo, but not until after a job boycott of four days. President Jonathan went the same way like his predecessors by pushing up the price of petrol from N65 to N141 per litre. Negotiations between the Presidency and the Organised Labour led to the bringing down of the price from N141 to N97 per litre after eight days of strike and street protests. The table below captures the various strike actions occasioned by subsidy removal in Nigeria since the year 2000.

Table II: History of Fuel Subsidy Strike Actions in Nigeria between 2000 and 2012

Date	Cause of strike	Duration	Resolution
June 1, 2000	Prices of petrol	Eight days	Price reduced to N20 per

	increased to N30/litre from N11/litre		litre
June 16, 2002	Price increase from N20/litre to N26/litre	Two days	Price retained at N26 per litre
June 30 – July 8, 2003	Price increase from N26/litre to N40/litre	Eight days	Price reduced to N34/litre
June 9, 2004	Price increase from N34/litre to N50/litre	Three days	Government and NLC agreed to a new price of N42 per litre.
October 11, 2004	Price increase from N42/litre to N52/litre	Three days	Government appointed the 19-member Sen.Ibrahim Mantu committee on palliatives.
September 2005	Price increase from N52/litre to N65/litre	No Strike	Protest by NLC and civil society groups led to a cut in price
June 20, 2007	Price increase from N65/litre to N70/litre	Four days	Price reduced to N65/litre
January 1, 2012	Price increase from N65/litre to N141/litre	Eight days	Price reduced to N97/litre

Compiled by the author

RECOMMENDATIONS

Government clearly does not understand the seriousness of the situation. It has failed to understand that all government be they dictatorial or otherwise enjoy power because the people allow it to remain in power. No government can outlast the will of the people. It is clear that Nigerians do not and will not tolerate subsidy removal under the terms and conditions set out by Government. Any removal of subsidy based on the importation of petroleum products is unacceptable to Nigerians. It had been done in the past, it was sabotaged, and it can and will be done again.

The response of government has been to say that there is no alternative to the removal of subsidy, with due respect there are many alternatives. There are indeed so many other painless ways of doing the same thing.

Other countries have done deregulation yet their citizens did not suffer unduly. It is not true that the government cannot deal with the corruption posed by the oil importation cabals that feed on the subsidy money (see the table below).

Table III: Oil Cabals and Their Promoters

S/No.	Company Name	Promoters	Allocation (N billion)
1	Oando Nigeria Plc.	Wale Tinubu	N228.506
2	Mrs.	Sayyu Dantata	224.818
3	Pinnacle Construction	Peter Mbah	300.000
4	Enak oil and gas		19.684
5	Conoil	Mike Adenuga	37.960
6	Bovas & Co.Nig Ltd.	Bamidele O. Samson	5.685
7	OBAT	F.E.O. Akinnuntan	85.000
8	Folawiyo Oil	Yinka Folawiyo	113.300
9	IPMAN Investment		10.900

	Ltd.		
10.	ACON	Aliko Gwadebe	24.100
11.	ATIO Oil		64.400
12.	AMP		11.400
13.	Honey well	Nino Ozara	12.200
14.	EMAC Oil		19.200
15.	De. Jones Oil		14.800
16.	Capital Oil	Ifeanyi P. Uba	22.400
17.	AZ Oil		18.613
18.	Eterna Oil	Muhmud Bamanga Tukur	5.570
19.	Dozil Oil		3.375
20.	Fort Oil	Zira Malagadi	8.582
21.	Integrated Oil & Gas	Capt. Ihheanacho Emmanuel	30.777
22.	African Petroleum	Jimbo Ibrahim	104.58
23.	A. RAno		1.140
24.	A.S.B		3.160
25.	Arcon PLC		24.116
26.	Aminu Resources		2.300
27.	Avante Guard		1.140
28.	Avido		3.640
29.	Boffas & Energy		3.670
30.	Brilla Energy		0.9603
31.	Downstream Energy		0.7897
32.	In Co Ray		1.988
33.	ASCON Oil	Barr. Grace Enemoh	5.271
34.	Channel Oil		1.308
35.	First Deepwater		257.396

Compiled by the author.

It will be easier to deal with the cabals than that punishing all Nigerians for corruption of a privileged few. If government should apply half the vigour with which it has pursued the policy to the eradication of corruption in all arms of government and society in general then trillions of Naira would be feed up for development project.

Former Minister of the Federal Capital Territory, Mallam Nasier el-Rufai has said" untouchables who financed Goodluck Jonathan election are the beneficiaries of subsidy" (Chiejina, 2012,:6). He spoke on a televised programme, Matters Arising, Mallan el-Rufai said governors were in support of the withdrawal of subsidy so that they will have more money and less deductions from the Federation Account Allocation Committee (FAAC). Petroleum subsidy, he noted is a charge on the Federation Account so it is deducted first before money is shared. According to him, "the average deduction from the Federation Account last year was N22 billion per month, after the elections, it rose to over N100 billion a Month" (Chiejina, 2012:6). He posited that because of the deductions, the Federal Government is broke, adding: "if you remove this N1.3 trillion subsidy fund that the government is expecting from the budget, there is no fund because, capital expenditure for 2012 is N1.3 Trillion" (Chiejina, 2012).

Evidence that the government is broke, he said could be seen from the fact that the economy is growing but it is illiquid. By withdrawing subsidy, el-Rufai said the Jonathan administration is taxing every Nigerians-man, woman and child N8,000 while N1.4 trillion has gone into some people's pockets.

Government should identify areas of wastages in governance, such as the allocation of largesse and booties in the name of allowances and withdraw same forthwith. The presidency should show strong political will and cut in the best interest of the policy by cutting down the following allocations contained in the 2012 Budget: N13 billion for local and international travels; N4.5 billions for stationery, magazines, newspapers; N17 billion for maintenance of vehicle furnitures; N5 billion for training; N 4 billion for generators; N9 billion for refreshments and meals; and N27 billion for research and development.

The presidency should also cut down the waste identified in the allocation for the Aso Rock villa budget by reducing N285 million for welfare, N265 million for computer, N 150 million for scanners; N161 million for buses; N2995 million for new furniture; and N1.81 billion for the maintenance of existing furniture office and residential quarters.

The government has done enough to cut down its own wastes. The Federal Government has to cut its budget drastically; 25 percent of Jonathan's salary is N800,000 in 2012. What he should cut should be his allowances.

As millions of Nigerians continue to demonstrate to demand justice and fairness, it will serve this government well to show magnanimity and leadership by urgently adjusting and reprioritizing the proposed spending in the 2012 Budget highlighted above to fund fuel subsidy, and in a way that addresses social needs and improve the well beings of all citizens.

Government must embark upon a re-orientation of its values and ethics and those of other Nigerians.

There is disappointment among the populace that the Jonathan presidency has not proven to be different from before it in terms of sincerity. The presidency has lamented the mistrust Nigerians show to government and its policies because of their experience with past government. Those who hold this view quickly point to certain actions of Jonathan and his government that have made them see him as "same of the same". They point to the issue of his party's zoning formula, for which his critics claimed he breached. There is also the minimum wage issue which the President signed into law at the heel of elections, but have since refused to implement. They also cite the 2009 Academic Staff Union of Universities (ASUU/Federal Government Pact, which the Government had breached severally, and which exasperated, the lecturers went on indefinite strike on Sunday, December 4, 2011.

Jonathan's critics equally point to the fact that he did not tell Nigerians anything about fuel subsidy removal and six-year single tenure in all his months of campaigning for the Presidential office, only to introduce it immediately he was declared winner of the election.

These were part of the reasons his critics considered it a black mail when he told Nigeria that the country's economy would collapse unless the fuel subsidy was not removed.

The stakeholders need to rigorous soul-searching in the coming months in order to rediscover their souls and renew the methods and strategies that brought them glory many decades past. They need to be mentally equipped for such challenges.

Law and order must be enforced and in accordance with the Rule of Law. It will be recalled that the Nigerian Labour Congress (NLC) and Trade Union Congress (TUC) on the 4th January 2012 issued a Joint Statement calling for a general strike of Nigerian workers with effect from Monday, 9th January, 2012 in solidarity with the mass protest planned by some Civil Society Organizations over the Federal Government policy of deregulation in the down stream sector of the petroleum industry.

Convinced of the unlawfulness of the planned action of the NLC/TUC especially in the absence of any trade dispute with its employees Government approached the National Industrial Court which is constitutionally vested under section 245 [(1) (c)] of the 1999 Constitution of the Federal Republic of Nigeria as amended with exclusive jurisdictions to consider matters relating to the propriety or otherwise of a proposed strike or industrial action.

The Court, in furtherance of government's application, granted an interim injunction restraining the NLC and TUC from embarking or compelling other persons to embark on a strike action or general strike, mass rallies, or street protest, pending the determination of the Motion on Notice, which will come up for hearing on Thursday, 12th, January 2012. For the avoidance of doubt, it is significant to state that the basis of the injunction and the Motion of Notice is that no trade dispute has been declared in consonance with existing laws, by the NLC and TUC and a clear distinction between civil protest on one hand and an industrial action or strike on the other.

The Federal Government had equally attempted to prevent the House of Representatives from sitting on Sunday by citing religious sentiments and other unidentified issues, but the lower chamber sat, had productive deliberations and with an overwhelming voice vote agreed to recommend to the president the suspension of the fuel subsidy removal. Why Jonathan appears bent on undermining his own regime is hard to understand. It is well known that he does not have the gaffes of garb, but he constantly accentuates that weakness by making serial gaffes. At the Remembrance Day Service, and in a tone that sounded helpless and pathetic, he told his audience of largely military men and government officials that the violent Boko Haram sect had infiltrated the government and security organizations. When he made that statement, it perhaps did not occur to him that his audience and Nigerians would ask him what he was doing when the sect was perfecting the infiltration.

Where and if Government persists on this suicidal course of action, the options open to the populace are limited but clear. These include:

A call on the National Assembly to officially and formally declare its position on the removal of fuel subsidy; If we believe the National Assembly side with the populace, then it must in the same transaction call on the president to rescind or reverse its action on subsidy removal.

Should their call not be heeded by the President then National Assembly should seriously consider impeachment proceedings; the president having lost the confidence of Nigerians to continue to rule or lead them.

If the Legislators fail to take the desired actions then Nigerian will commence the constitutional process to recall their representatives in the National Assembly.

Finally, deregulation can be attained in phases. What is wrong in increasing the price to say N70 or N75 for the 2012 fiscal year? The current increment can be spread over a period of ten years or more and the palliative ought to have been provided before government contemplates of any subsidy removal. Nigerians are already saddled with high NEPA bill, high cost of kerosene, diesel and now government has added petrol. Yet the minimum wage is still at N18, 000.

CONCLUSION

Government appears adamant in the quest to remove fuel subsidy. The people are equally resolved in its opposition to the removal of subsidy. Nigeria is up for the rough times ahead. The time has come for the final determination whether those in government derive their power from the people or whether they are independent and owe their stay in power to other entities other than the people.

It is unfortunate that the populace must at this point in time be forced to confront government as a result of the latter's unviable and self serving economic policies. Government is not in the business of making a profit for itself and her cronies and sponsors who are in the oil industry. If anything untoward happens in the course of this protest, then the blood of innocent Nigerians is on the head of President Jonathan. In every democracy, a leader or leaders must govern according to the will of the people. No leader has a monopoly of knowledge of wisdom over and above the people that put him there. At all times government must remain respectful and accountable to the will of the people or face the consequences.

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