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DOI: https://doi.org/10.32350/gsr.21.04

History: Received: March 10, 2023, Revised: April 28, 2023, Accepted: May 16, 2023, Published: June 29, 2023


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Conflict of Interest: Author(s) declared no conflict of interest
Liberalization In the Context of Democratization: Assessment of the January 2012 Fuel Subsidy Removal Protests in Nigeria

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Abstract

The decision by the Good Luck Jonathan-led regime to effect the removal of fuel subsidies on January 1st, 2012, prompted the most coordinated popular protests in Nigeria’s Fourth Republic. The subsidy removal and social protests it triggered had numerous socio-political implications. This paper examines the implications of the social protest on civic activism and political participation. The study adopts the qualitative research method. Data was derived from a combination of primary and secondary sources, which include news articles, opinion pieces, commentaries, editorials and press interviews published by Nigerian newspapers and sourced from their archives. It also utilized information sourced from official documents and reports published by governmental and non-governmental bodies. These materials were analyzed using the content analysis method. The study finds that it is essential for the State to engender citizen trust, given that trust is a core requirement for securing the legitimacy of the governed. The study also finds that the protests helped to rekindle the spirit of civic activism among Nigerians, especially the youth segment. This activism was largely aided by the deployment of digital tools as instruments for mobilization, coordination and communication in the protest movement. The article concludes that the subsidy removal protests had profound impacts on civic political activism, long thought to be dead among Nigerians.

Keywords: Fuel Subsidy, Civic Activism, Popular Protests, January 2012, Nigeria.

Introduction

The decision by the Nigerian government to halt the regime of fuel subsidies in January 2012 prompted one of the largest and most coordinated popular protests in Nigeria’s recent political history (Social Action, 2012). Although Nigeria produces more than 2 million barrels of oil per day, the vast
majority of Nigerians see limited benefits from their country’s oil revenues. The country experienced perennial fuel scarcity, as the nation's four refineries often operated below installed capacity when they were actually in operation (Mordi, 2014). It is important to note that the problems of the refineries and the non-availability of refined products are just the tip of the iceberg. Indeed, the whole operation of the Nigerian National Petroleum Corporation (NNPC), the agency in charge of the Nigerian oil industry, suffered from a lack of transparency, accountability and probity (Sayne et al., 2015; Stakeholder Democratic Network, 2015; Social Action, 2012).

In order to mitigate the scarcity of refined petroleum products, reduce government spending on subsidizing fuel importation, and curb the old-age wastage that had characterized the running of the nationally owned refineries, the Federal Government of Nigeria (FGN) proposed the privatization of the refineries and the removal of subsidies on refined petroleum products. These policy prescriptions, among other reform agendas in the Nigerian Oil Industry, were intended to free up revenue spent on subsidizing consumption and divert it to the provision of social services. While the FGN announced that the removal of the fuel subsidy would give the Nigerian State the means to fix the country’s infrastructure, most Nigerians exercise skepticism, saying that ‘we have heard that before’. This is because there was no way to ensure that the windfall from fuel subsidy removal in particular would be directed at achieving these goals in a country that has been plagued by corruption and a governance deficit (Ogundiya, 2009, 2011).

The issue of fuel subsidies in Nigeria is emotional and historically deep-rooted. Since the 1970s, every regime has had to face the issue of subsidy removal. It became pronounced following the difficulties the Nigerian state ran into in implementing the Third National Development Plan (Social Action, 2012). Illustrating the challenge of reforming the Nigerian oil industry, of which the issue of fuel subsidy is just a part, Sayne et al. (2015) note that despite lost earnings and glaring performance failures, successive regimes in Nigeria have avoided taking holistic policy measures directed at overhauling and reforming the operational rules, practices and governance structure of the NNPC. The absence of political leadership will highlight how the corporation’s opaque governance structure encouraged corruption, including in the management of fuel subsidies by the Federal government and its agencies, notably the NNPC. The reports of financial scandals in the
fuel subsidy regime have affirmed this (Akov, 2015; Stakeholder Democratic Network, 2015; Eni, 2012; Social Action, 2012; Nigeria House of Representatives, 2012; Sahara Reporters, 2011).

Since the return to democratic rule in 1999, the issue of fuel subsidy removal has been a cardinal point in successive regimes' economic policy roadmaps. In fact, none of the regimes has had the in-enviable record of the highest number of hikes in the price of Premium Motor Spirit (PMS) like the regime of former president Olusegun Obasanjo. At the last count, the regime increased fuel prices five times within eight years. It rose from N20 per liter in 1999 to N65 per liter for PMS at the expiration of the regime's tenure in 2007. While labor unions and civil society groups mounted protests and called for strikes, none of the earlier instances of price hikes generated the heat that the January 01, 2012, subsidy removal decision and the astronomical rise in the price of PMS have generated (Joseph & Kew, 2008; Social Action, 2012).

The 2012 New Year fuel price hike roused popular outrage, resulting in mass protests and a general strike called by the labor union and organized civil society. According to Saka and Ojo (2019), the protest movement in the form of the one berthed by the fuel subsidy removal, dubbed the ‘Occupy Nigeria Movement’ (Occupy Nigeria) was a clear expression of anger and a demonstration of popular resentment against the Nigerian state. A week of nationwide mass actions led to the virtual shutdown of the Nigerian economy as citizens, under the guidance of civil society and labor unions, embarked on the most coordinated mass action that has ever resulted from the hike in fuel prices (Social Action, 2012). It is important to note that protests and mass actions of the nature witnessed in January 2012 were a demonstration of the spirit of citizens’ political activism, an important hallmark of State-Society relations in post-colonial Nigeria (Lu, 2022). The continuation of civic engagements with the state utilizing the instruments of protest and mass social action was demonstrated through a digital campaign calling for the proscription of the dreadful Special Anti-Robbery Squad, SARS, of the Nigerian Police Force that started in late 2017 and the resurrection of the protest movement dubbed *EndSars, *EndSwat, *ReformPoliceNG, and *EndBadGovernance in October 2020 (Soyemi, 2020; Sule, 2020).

Reeling from the revenue loss that emanated from the general strike and the mass action of January 2012, the government of former President Good
luck Jonathan invited labor leaders for dialogue facilitated by the Nigerian Senate. In all, three meetings were held between government and labor union delegations, with civil society organizations participating. Without recourse to the ongoing engagement with labor unions and civil society groups on the subsidy and price hike, the Federal Government announced the fixing of the pump price of PMS at N97. The announcement of a new fixed price that was higher than the pre-subsidy era price signified the government’s attempts at reducing the burden of subsidy it bears by pushing the same to the final consumer. A day after the government announcement, the labor unions called off the nationwide strike (Social Action, 2012).

The fuel subsidy removal, the protest that emanated there from, and the unilateral manner that characterized the State responses all had socio-economic and political implications. While the study recognized the importance of these socio-economic implications, however, the study’s aim was to engage in an assessment of the implications of the subsidy removal and the popular protests that emanated there from on Nigeria’s democratization process. In particular, the study aimed at assessing how the protest and social action berthed by the subsidy removal saga contributed to the enhancement of civic activism directed towards the demand for accountability, transparency and openness in the nation's governance process. Thus, the need to explain the popular reaction to government economic policies through the prism of the fuel subsidy removal protest within the context of the public space afforded by the democratic process is what informed this study. Thus, an understanding of the January 2012 protests and social action dubbed “Occupy Nigeria” as a vanguard of civic activism and social action in Nigeria’s fourth republic becomes pertinent.

**Materials and Methods**

The study adopts the qualitative research method in the collection and analysis of data. The qualitative research method is commonly associated with disciplines in the humanities and social sciences. According to Muthiah et al. (2008), the qualitative method is interdisciplinary in nature and utilizes data collection and analysis strategies from diverse backgrounds, such as ethnography, the historical method, and the case study, among others. Qualitative research employs data collection techniques that include participant observation, structured and unstructured interviews, focus group discussion, oral history, archival analysis, and
In the context of the diversity of the qualitative method, this study adopts the use of secondary data sourced from published news articles, opinion pieces, commentaries, editorials and press interviews extracted from Nigerian major newspapers. These were sourced from the archives of major newspapers, the Nigerian Institute of International Affairs newspaper archives, and online platforms after the January 2012 social protests. The study also utilized other secondary materials, which include journal articles, chapters in books, documents from governmental sources and reports published by governmental and non-governmental agencies, bodies and institutions. The study utilized thematic and content analysis to extract facts and information from these sources to weave its narration on the January 2012 fuel subsidy removal, the protest movement it berthed and the implications it portends for Nigeria’s democratic process, especially as it relates to the growth of civic activism and political engagements.

**Democratization and Economic Liberalization Policy in Nigeria’s Fourth Republic**

Democratization is progressing at an uneven pace across Africa; however, it is important to state that the region has witnessed impressive progress in the efforts directed at deepening democratic practices and processes (Yoo & Gyoosang, 2018). Against the background of socio-economic challenges occasioned by the implementation of the Structural Adjustment Program (SAP), popular support for democratic rule in Africa largely rested on the understanding that democratization would advance the course of economic development. Thus, the apparent failure of decades of democratic rule to result in marked improvement in the standard of living of the general population has strong implications for the future prospect of democratization in Africa (Yoo & Gyoosang, 2018; Lewis & Alemika, 2005). To say the least, it had resulted in the waning of popular support for democratization. However, this is not to mean that Africans have lost hope in the democratic process and its ability to deliver good governance, accountability and an enhanced prospect for inclusive development. Indeed, the attitude of Nigerians as reported by the Afrobarometer group in its series of publications is a better reflection of how ordinary Africans relate democracy to development (Lewis & Alemika, 2005; Lewis et al., 2002).
Nigeria’s transition to civilian government in 1999 brought to an end a long, turbulent period of military rule and failed democratic experiments (Diamond et al., 1997). Since the 1999 transitional general elections, Nigeria has conducted four other rounds of general elections. Not only this, but for the first time in Nigeria’s political history, the transfer of power from an elected civilian regime to another civilian regime. More importantly, the conduct of the 2015 general elections resulted in the alternation of power from a ruling party to an opposition party. While the extent of the free, fair and competitive nature of the rounds of elections might be contested, the fact that Nigeria has transited from one elected regime to another has been widely celebrated. Not only this, the country has also recorded success in efforts at democratic consolidation and institutionalization of democratic rules, practices and values. The truncating of former President Obasanjo plan to insert term elongation into the constitution, the peaceful installation of Good Luck Jonathan after the demise of late President Yara’adua, the conceding of defeat, and the peaceful transfer of power after the conclusion of the 2015 elections were important highlights (Omotola, 2011).

Popular expectation after the return of democratic rule in Nigeria was that Nigeria would negotiate a gradual exit from most of its socio-economic, political and governance crises. Indeed, many Nigerians expressed hopes for a democratic dividend that would expend political liberties, improve the performance of government, encourage accountability among leaders, and revive the nation’s ailing economy. After initial euphoria in the wake of the transition, a greater sense of realism has set in among many Nigerians. The anticipated benefits of democracy, largely in economic and developmental terms, have been slowed down, and the new democratic dispensation has failed to fulfill the expectations of many Nigerians (Yagboyaju, 2011; Lewis & Adetula, 2006).

Since the return to democratic rule in 1999, Nigeria’s democratic regimes have sought to promote economic development and improve public welfare, through the implementation of economic liberalization policy. The major highlights of the economic liberalization policy include the privatization of the nation’s ailing public enterprises by the Bureau of Public Enterprise; the deregulation of the downstream sector of the nation’s oil industry the highlight of which was the removal of subsidy from petroleum products; and the unbundling of the Power Holding Company of Nigeria (PHCN). The regimes also initiated civil service reform which resulted in
the monetization policy and the drawing up of service compact to guide service delivery by public agencies, parastatals and ministries; the establishment anti-graft agency and the campaign against corruption; instituting of regulatory procedure in public procurement; the wooing of private investors and the negotiation of debt relief for Nigeria from its institutional creditors (Joseph & Kew, 2008; Saliu et al., 2008; Okonjo-Iweala & Osafo-Kwaako, 2007).

However, of the economic liberalization policies that have been implemented in Nigeria since 1999 none is more controversial like the deregulation of the downstream sector of the oil industry. The exercise which entails the removal of subsidy from the pump price of petroleum products had drawn irks of the general public, organized labor and civil society movements. The deregulation and removal of subsidy by the Federal government sparked strong face-off between the state and the organized labor. The vehement opposition subsidy removal by Nigerians was premised on the centrality of oil to the Nigerian economy and the resultant negative effects that price hike would have on services and commodities prices and on the general living condition of Nigerians. The result of the face-off manifested through series of crippling industrial actions, strikes, protests and demonstrations in 2003, 2004, 2005 and 2012 organized and coordinated by labor unions and civil society coalition. Such public protests are directed at resisting the removal of fuel subsidy.

Unlike other attempts at deregulation, the deregulation of the oil industry and removal of subsidy from petroleum products in Nigeria will be contentious given the central role of the oil industry to the Nigeria economy and the centrality of petroleum motor spirit to the pricing of essential commodities. Indeed, studies have affirmed the positive relationship between the price of PMS and exchange rate on the prices of essential commodities especially food prices in the short and long terms (Okereke & Obinna, 2022). Despite crude oil theft that had plague the Nigeria oil export sector for decades’ revenue from oil and gas still accounted for eighty percent (80%) of Nigeria’s total national revenue earning by 2022. The National Bureau of Statistics reported that Nigeria collected USD 45.6 billion as proceeds from crude-oil and natural gas sales in 2022. The contribution of the sector to the nation’s real gross domestic product, GDP was reported to stood at 6.63 percent (National Bureau of Statistics, 2022). Thus, the Nigeria economy and national revenue earnings still relied heavily
on the oil industry, with attendant consequences. With low refining capacity necessitating importation of petroleum products and depreciation of the national currency, the Naira against the dollar, the removal of subsidy on PMS and attendant astronomical rise in price of the product will jack up transportation cost thus sending wave of general price rises across the economy. This informed the problematic and contention that revolved around petroleum product subsidy removal in Nigeria

**History of Tinkering with Fuel Subsidy in Nigeria**

According to The Oil Subsidy (1993), questions revolving around what should constitute a proper pricing regime for petroleum products have unimagined ion the forefront of public discourse in Nigeria for decades. In Nigeria, fuel subsidy, as designed in the Petroleum Product Pricing Regulatory Agency’s (PPPRA) template, is compensation due to importers of petroleum products based on the difference between the landing cost and the ex-depot price of fuel. The policy is directed at ensuring that consumers pay a predetermined price for fuel, notably PMS, while ensuring that producers and importer starters get their real costs of the products reimbursed. It is an arrangement that is directed at alleviating poverty by enhancing energy security for the teeming poorer segment of the country’s population, while not denying the middle and upper class segments of the population the right to benefit from such.

The history of public discourse on fuel subsidies in Nigeria dates back to the late 1970s. This coincided with the decade Nigeria became a member of the Organization of Petroleum Exporting Countries (OPEC), when revenue from oil became the most important contributor to national revenue and foreign exchange. Before 1973, however, there was no subsidy on petroleum product pricing in Nigeria, largely because the price of petroleum products was determined then by the oil companies supplying the products to domestic markets at market prices (Anyanwu, 1987a). By 1973, a subsidy of 35.7% was introduced when the FGN engaged in price tinkering to fix the retail price of petroleum products in the domestic market. Meanwhile, the first instance of subsidy removal occurred in 1978, when the Military regime of General Obasanjo engaged in an upward review of the pump price of fuel from 8.4 kobo to 15.37 kobo. The reasons informing the upward review were to afford the FGN the opportunity to raise revenue by reducing State financial commitment to the subsidy scheme (Ering & Akpan, 2012; Olumide et al., 2012). The price fixing of 1973 and the unilateral increase
in pump prices by the Federal Government in 1978 signaled the commencement of back-and-forth price fixing and were precursors to the controversy revolving around the subsidy regime discourse in Nigeria.

Similarly, the civilian regime of Alhaji Shehu Shagari raised the pump price from 15.37 kobo to 20 kobo in January 1982. Then, in 1986, the military regime of General Babangida increased the pump price to 39.50 from the 20 kobo where it was under the Shagari regime. Two years later, in 1988, the price was raised to 42 kobo and to 60 kobo in 1989. The subsidy removal and accompanied increases in pump prices of petroleum products under the General Babangida were informed by the policy prescription set by the International Monetary Fund as conditionalities for advancing loans to Nigeria to keep the nation’s economy afloat following the financial crunch arising from the economic recession of the 1980s. Although the Nigerian Government bowed to popular pressure and rejected the loan, General Babangida went ahead to incorporate most of the IMF conditionalities as home-grown economic policies (Anyanwu, 1987). This position was avidly reiterated by Efeni et al. (1993) when they contend that,

Basking under the euphoria of Nigerians overwhelming rejection of the IMF loan, the Federal Government slashed a whopping 80 percent off the subsidy on petroleum products, thereby increasing the pump head price of petrol from 20 kobo to 39.5 kobo.

While the price increase in 1986 did not raise much socio-political dust, the situation was different when the increase in pump prices was announced in 1988. A series of nationwide protests led by labor and student unions that nearly paralyzed the operation of the Nigerian economy, government and private sector businesses greeted the pump price increase announcement.

In continuation of the regime’s rollback of the State policy, on March 6, 1991, the FGN again raised the pump price of petrol from 60 kobo to 70 kobo. In November 1993, another increase in the pump price of petrol was announced, and this time the price was fixed at N5.00. Like some of the previous increases, this increase was greeted with mass protests across the country, of which the National Association of Nigerian Students (NANS) was a major actor. Following the mass protests, the government was pressured to reverse the pump price to N3.25 on November 22, 1993. A year later, in October 1994, the price was again raised to N15.00, and following another protest, the price was brought down to N11.00 by the General
Abacha military junta. The transitional military regime of General Abdulsalam initially increased the price to N25, but later reduced it to N20 on January 6, 1999. This was the prevailing price until the nation was returned to civil rule on May 29th, 1999, following the general elections that ushered in the civilian regime of President Olusegun Obasanjo (Ering & Akpan, 2012; Olumide et al., 2012; Efeni et al., 1993).

As far as tinkering with the price of petrol is concerned, President Obasanjo second coming as elected president was not in any way different from his earlier sojourn in power as military Head of State. In the eight years of his rule, from 1999 to 2007, President Obasanjo increased the pump price of petrol a record-breaking five times. From the N20 that he met in 1999 to the N22 in 2000, then the N26 in 2001, the N40 in 2003, the N45 in 2004, and finally the N70 just days before he was to leave power. However, unlike his predecessors, the administration of President Yar’adua revisited the price hike by reducing it from N70 to N65 barely a few months after he became president. The decision by the government of Yar’adua to reduce the price of the petroleum pump was unprecedented and was overwhelmingly accepted by Nigerians. However, the government of Yar’adua was short-lived. Yar’adua died on May 5, 2010, and was succeeded by his then-deputy. Good luck, Jonathan.

President Jonathan unlike many of his predecessors announced the total withdrawal of subsidies on PMS on January 1st, 2012. Following the announcement, the pump price of PMS shot overnight from N65 to above N140 (Majekodunmi, 2013; Ering & Akpan, 2012; Olumide et al., 2012). The January 2012 price increase resulted in one of the most coordinated nation-wide strikes and popular mass protests that had never been witnessed in the history of civil protest under democratic rule in Nigeria. The protests dubbed “occupy Nigeria” resulted in the virtual shutdown of the Nigerian economy. The protests resulted in the loss of billions of Naira for the economy, led to near total paralysis of productive activities in both the public and private sectors, and showed the resolve of Nigerians to take on the force of the Nigerian State (“Fuel Subsidy Strike,” 2012; “Fuel Subsidy: Consolidating the Gains,2012; Olumide et al., 2012; Nwosu, 2012). The protest led the FGN to reintroduce subsidy but pegged the pump price to N97 until the new government of Muhammadu Buhari on May 29, 2015.
An Assessment of January 1st, 2012 Fuel Subsidy Removal and ‘Occupy Nigeria’ Protests

For decades, debate and public discourse about fuel subsidies have always evoked strong passion in Nigeria (Efeni et al., 1993). There exist questions, queries, arguments and counter-arguments about the existence of government subsidy on petroleum products in the first instance. The arguments have been centered around the percentage of actual cost paid as subsidy on each liter of fuel, the efficiency of government-owned refineries, the issue of benefit and cost analysis, the issue of fuel smuggling to neighboring countries, and the credibility of the government’s position on subsidy. In a published opinion piece in the late 1980s, Anyanwu (1987a) engaged in a lucid discussion of the benefits and cost of fuel subsidy withdrawal in Nigeria. A few of the benefits highlighted by the supporters of subsidy removal include: the need for an increase in government revenue; the checking of illegal oil bunkering and smuggling of petroleum products into neighboring countries; a reduction in domestic consumption of petroleum products; and encouraging investment in neglected sub-sectors of the petroleum industry, notably liquefied natural gas.

While recognizing the merits of some of the supposed benefits that would have arisen from the withdrawal of subsidy, Anyanwu (1987a) however, expressed the position that the holistic realization of the benefits advanced by proponents of subsidy withdrawal are doubtful and that the policy would blow ill-wind for the for Nigerians given its many social costs. Expressing the position of many antagonist of subsidy withdrawal in the 1980s, Anyanwu (1987b) notes that,

The government should not further withdraw petroleum subsidy since it is an ill-wind that blows no one any good. Rather, subsidies to the petroleum sector should attract string relating to efficiency so as to achieve the desirable effects.

In similar vein, attempt at deregulation and withdrawal of subsidy from petroleum products in the early 1990s was not only controversial but was vehemently kicked against by Nigerians through protests led by labor unions of which the Academic Staff Union of Nigerian Universities (ASUU) was prominent. Making a case against subsidy withdrawal, Oladipo Fashina, a firebrand member of ASUU national executive, noted that the policy was but an IMF imposition and an agenda for chaos in
Nigeria (Fashina, 1993). Debunking the existence of fuel subsidy, in a commentary, Ozoana (1993) argued that,

In the absence of any convincing evidence as to the existence of oil subsidy, I belong to the school of thought that holds the view that there is nothing like oil subsidy. My view is further reinforced by the recent disclosure that the cost of producing petrol is less that the 70k we pay for a liter of petrol and that the government is still on the profit side.

Commenting on the antagonism that characterized public discourse on the subsidy withdrawal within the context of the socio-economic and political turbulence of the 1990s, “The Oil Subsidy,” (1993) in an editorial notes observed that,

That the argument usually put forward in support of the policy is seemingly beyond contradiction especially when considered in the context of a developing country with severe fiscal constraints… However, it would seem that the benefits of maintaining the subsidy, at most with minimal modifications, far outweigh the gains by removing it.

Carpeting the government on the policy, the newspaper’s editorial argued that the lack of clear information on the nature of the benefits to be gained increases fears that the withdrawal of subsidies could be an irredeemable error. It argued that subsidy removal is not the solution to the nation’s problems and might actually result in widespread anger and unnecessary hardship (“The Oil Subsidy,” 1993). Two decades later, in the context of democratic rule as opposed to the military dictatorship of yesteryear, the acrimony, antagonism and controversy that characterized public discourse on fuel subsidies, especially between the Federal Government and the mass public as represented by organized labor unions and civil society groups, remain the same. Every attempt at effecting partial subsidy removal since May 1999, when Nigeria returned to democratic rule, has been met with vehement opposition expressed through labor strikes and public protests.

Like previous attempts, Jonathan’s argument on the need for subsidy removal has not, in any way, undergone any substantial refinement or reformulation. Indeed, it was the same song that had been fed to Nigerians by successive regimes, be they military juntas or civilians. The first position of the Federal Government was that the Nigerian state was spending too much on subsidizing petroleum products. Advancing this argument,
President Good Luck Jonathan was quoted to have averred that ‘the current subsidy regime had impoverished the nation and forced the government to borrow money to run its affairs, and if the policy is sustained, the economy has the potential to become comatose and everyone would pay dearly for it’ (Olumide et al., 2012). The Federal Government claimed that between 2006 and 2011, it spent N3.7 billion on maintaining the subsidy regime. Curiously and without any logical reasons, the subsidy expenditure rose from N500bn in 2010 to nearly N1.5 trillion in the first nine months of 2011. That represents more than a third of the subsidy expenditure over five years in one year (Iloegbunam, 2012; Ojeme, 2010; Olumide et al., 2012; Social Action, 2012). This under Scorsese the position that the subsidy regime has been turned into a political cash cow for corrupt enrichment by Nigeria’s ruling elite and the cabal/cartel that runs the downstream sector of the industry in Nigeria. The House of Representatives probe committee report speaks volumes about the depth of corruption that characterized the administration of the subsidy regime, especially under President Jonathan (Nigeria House of Representatives, 2012).

Another argument put forward by the Federal Government was that the opportunity cost of retaining the subsidy would be the critical infrastructure and social services that the government would have to forgo due to a paucity of funds. On this, the government argued that the anticipated revenue accrued from subsidy removal would be devoted to infrastructure and social services (Social Action, 2012). To show its readiness, the Jonathan administration presented the Subsidy Re-investment and Empowerment Program, widely known as SURE-P, detailing services where revenue from subsidies would be used and the palliative measures that would cushion the negativities arising from the subsidy removal (Bayewu, 2012). The government also noted that the subsidy removal would help to address the issue of corruption that characterized the running of the subsidy regime (Ajunwa, 2012). This position was forcefully pushed by the then Governor of the Nigeria Central Bank, Sanusi Lamido Sanusi, when he noted that subsidy money was going to the cabal that was controlling the subsidy regime. Sanusi’s position was that rather than feeding the pocket of the cabal, the subsidy should be removed, and the revenue saved from the removal can then be devoted to improve infrastructure and social services that will be of benefit to Nigeria (Nzeshi, 2010).
The antagonists to the January 2012 subsidy removal policy hinged their argument on the need for the Federal government to tackle the incidence of monumental corruption that characterized the administration of the subsidy regime, the revamping of the ailing national oil refineries, a total overhaul of the Nigerian oil industry, and a holistic reduction in the cost of governance and running the apparatus of government (Iloegbunam, 2012). Reiterating this position, Biodun Aremu, the General Secretary of the Joint Action Front and a member of the Labor Civil Society Coalition, notes that,

The continuous fraudulent enrichment of the few ruling cabals in Federal, state and local councils and their cronies through anti-people policies of privatization and deregulation and the unprecedented mismanagement and looting of public funds through the so-called fuel subsidy and security votes since 1999, must not be allowed to continue (Olumide et al., 2012).

Similar sentiment was echoed by the organized labor and civil society groups that coordinated the protests' movement against the subsidy removal. The Nigerian Labor Congress also faulted the Federal Government subsidy reinvestment program, noting that the government would not be able to implement the projects listed as part of it. A prominent Nigerian Lawyer, Femi Falana also noted that the argument that revenue saved from subsidy removal would be deployed to provide infrastructure is misplaced and stale (Ajunwa, 2012). Falana argued that previous regimes, especially Babangida’s regime, made similar excuses to increase the pump price of petroleum, and such promises went unfulfilled. As Babawale had noted two decades earlier,

The history of previous removals has shown that, contrary to the governments’ promises, there is no evidence of the investment of the funds garnered from subsidy removal on the ground (Efeni et al., 1993).

Falana also faulted Federal Government’s position that without removal of subsidy the economy was heading towards imminent collapse. He noted that, ‘any country in the world that makes $2.6bn a day from one resource (in the Nigeria case Crude-Oil) aside value added tax, other taxes and other revenue sources cannot be said to be a poverty-stricken country (Ajunwa, 2012). The issue of the excessively exorbitant and reckless cost of governance was also used by antagonist of the subsidy removal to counter Federal Government’s cry of possible economic collapse if the subsidy was

Although President Good luck Jonathan would want Nigerians to believe that his government will collapse if the contentious issue of subsidy on imported refined petroleum products is not resolved on his own terms, available evidence shows that the government’s extravagant and wasteful lifestyle constitutes a greater threat to the economic survival of the country.

Thus, the issue of skyrocketing cost of governance, corruption and trust in government for using the generated funds judiciously were at the heart of the position of antagonists to the subsidy removal (Social Action, 2012).

It was apparent that with the public's daily bombardment with news of unspeakable instances of corruption in government, the high cost of governance exemplified by wasteful spending at all levels of government, and the view that there might actually be no subsidy on PMS given the prevailing scenario, Nigerians were not favorably disposed to any plan for a hike in pump head price of petroleum products when it was announced. More so, Nigerians were also appalled by the secrecy that shrouded the subsidy removal announcement, especially given President Jonathan’s earlier statement that the Federal Government had not fixed the date for the commencement of the subsidy removal policy take-off (Olumide et al., 2012; “Fuel Subsidy: A Question of Leadership," 2012). The timing of the announcement coming on the heels of the New Year festivity, when most Nigerians were home on holiday, was also, to say the least, poor. Fapohunda (2012) gives credence to this position when he notes that:

Even the most enthusiastic supporters of President Jonathan on this issue will agree that the timing and manner of presentation to Nigerians were, to say the least, gravely disrespectful and showed a tragic lack of appreciation of the economic situation of most Nigerians.

These and many other factors combined to make opposition to the January 1, 2012 total subsidy removal announcement a rallying point to mass action by Nigerians across different spectrums of the society. The prevailing public anger made the extent of mobilization against the January 1, 2012 subsidy removal’s decision by the regime of President Good luck Jonathan to be unprecedented in the history of mass protests in Nigeria. Even before the organized labor could declare strike and called workers out,
various organized groups and civil society organizations had taken to the streets to demand the reversal of the subsidy removal policy and re-instatement of the N65 pump price (Nwosu, 2012; Social Action, 2012). For the first time labor unions were able to coordinate with organized civil society and the collaboration resulted in an unanticipated awakening of citizen civic activism manifested through a coordinated nation-wide protest that shocked the foundation of state-society relations. The nation-wide protests that emanated from labor-civil society collaboration were effectively dubbed “Occupy Nigeria Protest Movement”. The dissemination of information about the protests and other activities connected with it was massively aided by the use of social media platforms. With an active youth engagement, social media platforms notably; Facebook, Twitter, Nairaland, and Instagram became the main media platforms for dissemination of information, sharing of news, pictures and experiences about the protests events in real time as they unfolded. The Occupy Nigeria may have also been influenced by the then on-going revolutions in the Middle-East dubbed the ‘Arab Spring’.

President Jonathan regime’s approach to public outcry that emanated from the subsidy removal policy was initially characterized by arrogance, disdain and disbelief. Indeed, it seemed the regime underestimated the resolve of the people when the strike action and public protests commenced on Monday January 9th, 2012. This was because there was no concrete efforts and overture made to organize labor to dissuade them from embarking on the plan strike action. Even the window of opportunity that was offered by the House of Representatives, following its intervention in the crisis was not followed up by the Federal Government. The Federal Government also showed sign of unconcerned in the way it engaged the labor unions through the intervention of the House of Senate which was facilitated by then Senate President, David Mark (Nwosu, 2012; Josiah et al., 2012). However, labor and civil society groups were able to prove to government that they had the capacity to shut down the nation. The public response to the street protests was confounding as it was total. Nigerians in their millions took over the streets and public spaces throughout the country as expression of civil disobedience and rejection of the subsidy removal policy. Offices, banks, markets, shops, schools, and in some cases public hospitals were shut down. The airspace was equally shut down with no domestic flights allowed to operate within the country. The effect was crippling as it was costly for Nigerians but more specifically for the
Nigerian state (Josiah et al., 2012; Nwosu, 2012; “Subsidy Protest Enter Day Four”, 2012). For the one week that the strike and mass protest lasted before the labor unions abruptly called their members back to works, the economy was estimated to have lost N420bn with more than N50bn revenue loss from the ports alone (“Fuel Subsidy Strike”, 2012; Dauda, 2012).

Thus, throughout the period of the protests, organized civil society provided leadership, showed commitment and exhibited courage in their mobilization of the people towards the objective of social change (Social Action, 2012). Taking to the airwaves, national dailies and massive deployment of social media platforms to coordinate the civic action, the protest movement was able to match the Nigerian state propaganda machine narratives for narratives. Indeed, it can be safely argued that the use of social media gave the protests coordinators and the Nigerians edge over the State on the subsidy discourse. As the Nigerian Guardian noted in its editorial,

The mass protests and strike led by the organized labor startled the government more because it spoofed all popular myths……..as Nigerians of different faiths, political persuasions, ethnic colorations, geo-political zones and social classes found their voice, and were united in their oppositions to an insensitive government action, and a call for accountability and transparency from their leaders (“Fuel Subsidy: Consolidating the Gains”, 2012).

Similar position was echoed by Nwangwu (2012) when he noted that ‘President Jonathan ego was bruised while the illusion of omniscience and omnipotence of the Presidency was seriously undermined and defused by Nigerian through their collective resolve as expressed in the mass protest across the country’. These were aside the massive revenue loss incurred by the Nigerian state as a result of the virtual crippling of the economy by the one week labor strike and mass protest (“Fuel Subsidy Strike”, 2012). The mass protest emanating from the State decision can be seen as the culmination of seething anger. Thus, the subsidy removal policy and its timing afforded Nigerians the perfect opportunity to vent their mounting frustration about the direction of state governance.

Much as Nigerians especially members of the Nigeria Labor Congress, the Trade Union Congress and wide range of civil society organizations that coordinated the national wide social actions against the subsidy removal policy tried their utmost to ensure that the strikes and mass protests was to
a large extent peacefully conducted, there were incidences of violence recorded across Nigeria’s major cities. Newspaper reports indicated that more than 20 people lost their lives in the course of the mass protests. The incidences represented a sad and unfortunate turning point in the nation-wide campaign against the fuel subsidy removal policy. Most of the incidences of loss of life were blamed on the Nigerian Police Force, especially with regard to crisis management. The Nigerian Guardian newspaper in an editorial reiterated this much when it noted that: ‘the incidents again raise the almost over-flogged need for the nation’s security agencies, particularly the police, to embrace a crisis management strategy devoid of extra-judicial killings’ (Akinsanmi, 2012; “Human Casualty of Subsidy Protest”, 2012).

Lessons Learnt from the Protest

While the core objective of forcing the Federal Government to retract the subsidy removal agenda and reinstate the N65 pump price might not have been totally achieved, there were lots of lessons emanating from the subsidy protest that are very important for the democratic process in Nigeria.

The first lesson relates to the issue of public trust in government. The mobilization of Nigerians from all walks of life to embark on social actions by the Nigeria Labor Congress, the Trade Union Congress, numerous civil society organizations and public figures underscores the lack of trust in elected, appointed and bureaucratic office holders and speaks to the state of democratic governance in a democratic Nigeria. The protest showed that it is essential for a democratic regime to engender trust among the citizens, as it is an important requirement for securing legitimacy from the governed. The protest showed the utter lack of trust by Nigerians in their government, arising from years of failed and unfulfilled promises. The pent-up anger of the years of failed promises was what Nigerians exhibited through the subsidy removal protests. The protest and the instability it generated speak to the long-held notion that ‘the widespread public belief that a society's governing institutions and political authorities are worthy of support is a precondition for political stability, especially in advanced capitalist democracies (Seem & Seem, 1979). The fact that the people staged protests to reject government public policy and the protest resulted in total paralysis of the Nigerian State is a strong indication of a lack of trust and erosion of State/region legitimacy.
In light of the governance crisis bedeviling the Nigerian State and given the opaqueness that characterized the governance of the Nigerian oil industry (upstream and downstream), expecting the public to express trust in government sincerity and political will to judiciously redirect revenue that would accrue to the national treasury after subsidy removal is a long call (Ayodele, 2014). The empirical study conducted by Ayodele (2014) on trust in government among Lagos residents, especially on the issue of subsidy removal, reported a high degree of citizen distrust in government and the governance process. Although the crisis of public trust in government is problematic in Nigeria, the crisis of trust is not an exclusive Nigerian challenge. Highlighting the continued global crisis of trust in government, the 2019 Edelman Trust Barometer report noted that the general population in the surveyed countries continues to harbor great distrust of ‘government and media’ (Edelman, 2019). In the same report for 2018, it was noted that democracies around the world are distrusted by a majority of their citizens, and the Edelman Trust Barometer put the percentage of public distrust of government in democracies at 80 percent (Evans, 2019; Edelman, 2018).

Another important lesson of the protests that has great significance for the democratization process was that it gave rise to the forging of a common front and momentarily reconciled Nigerians across the nation’s major fault lines. The close of ranks across ethnic, religious, regional, political, zonal and other dividing lines was unprecedented in the anal of Nigeria’s political history and resulted in a unity of purpose that was deployed in the fight for a common socio-economic and political cause (Adibe, 2012; “Fuel Subsidy: Consolidating the Gains,” 2012; “Fuel Subsidy: A Question of Leadership,” 2012). Much as the forging of a common front and demonstration of unity of purpose are significant as manifestations of social process in the wake of the January 2012 fuel subsidy removal protest in Nigeria, post-protest social actions also matter if the impacts of social protests are to be long-lasting. In an edited volume, Young's (2019) noted that post-protest social choices highly matter and can significantly contribute to whether protests achieve long-lasting change or whether the progress of such protests will wither away. In the case of Nigeria, the January 2012 protest galvanized the fronts of political opposition to the regime of Good Luck Jonathan, accelerated the merger of opposition parties, and enhanced the capacity of the opposition front to wrestle political
power, leading to the first democratic alternation in Nigeria’s political history (Saka & Amusan, 2018).

The protests also showed that there is a thin line between a docile, supine polity and a violent population. Through their expression of anger as shown through the mass action, Nigerians across all walks of life clearly demonstrated that they might seem docile but that when pushed to the wall, they can become politically active and volatile. This potential socio-political activism, if not handled with care, can become the source of violent political protests and uprisings in the future. The protest rekindled the spirit of political activism, especially among Nigeria’s teeming youth, and this was aided through the deployment of social media platforms to advance the course of the protest and citizen civic activism (Kwangju, 2012). The civic action and protests also afforded Nigerians the opportunity to express their anger about the crisis of corruption, the lack of transparency and accountability in the running of the affairs of the Nigerian State, and the high cost of governance, among other important governance shortcomings. Nigerians, through their body language and public utterances, expressed the view that corruption is the root of the excessively high cost of maintaining the subsidy regime in particular and the Nigerian state in general (Ajunwa, 2012; Adibe, 2012; Nwangwu, 2012; “Fuel Subsidy: Consolidating the Gains,” 2012; “Fuel Subsidy: Cost of Governance,” 2012; “Fuel Subsidy: A Question of Leadership”, 2012).

The governance crisis and public distrust in the State and its institutions that propelled the January 2012 protest also clearly manifested in the October 2020 protests around the issue of Police brutality, harassment, extortion and violence in particular and poor governance in general. The October 2020 protests that rocked Nigeria clearly highlighted that a supposed segment of the population “Youth” that shown disinterested in governance issues can be fired to embarked on protests and other forms of civic activism on a particular governance issue of interest and such protests can snowball into popular mass uprising (Busari, 2020; Akinsanmi, 2020).

The protest and public disdain shattered the aura of grandeur and power that surrounded the Presidency. The near total paralysis of all activities, public and private resulting from the mass action and the unpredictability of the sequence of events arising from the State loss of control also shook the foundation of the ruling regime. The challenge of containing the anger of Nigerians as the protests progressed also became a burden for the labor
unions and civil society coalition that constituted the vanguard of the uprising and for average Nigerians the total paralysis engender by the protest affected their livelihood (Nwangwu, 2012; Nwosu, 2012).

Aside from these, there were a number of noticeable blunders and errors committed by the Jonathan regime in the way and manner in which the popular protest was handled. The most important of the missteps, as captured by Adio (2012), include: the clear lack of well-thought-output strategy and plan of action on the reform agenda; the lack of clear and focus plan for communicating, projecting, advancing and presenting the reform agenda to the Nigerian public in way that it would get mass support; the error of linking the subsidy removal to the task of combating corruption in the oil industry and the management of the subsidy regime is also pathetic and undermined the case for the policy; the regime also failed to understand that the subsidy removal policy and the protest it engendered spoke volume about popular trust in government (Akinsete, 2012).

Conclusion

A major manifestation of poor governance processes and mismanagement that have plagued the Nigerian oil sector for decades is the issue of product scarcity and the unending queue at filling stations that Nigerians are made to go through at regular intervals. These scenarios defy logical explanation for a country that is the largest producer of crude oil in sub-Saharan Africa. For decades, the Federal Government has maintained a subsidy regime on petroleum products as part of its social welfare program, and Nigerians, particularly the masses, have tended to see this as their only benefit from the government. As a result, attempts at effecting partial or total fuel subsidy removal and associated questions that revolve around it have remained controversial, animated public discourse, and tended to ignite public outrage in Nigeria over time.

Attempts at effecting change in the regime of fuel subsidy and attendant hikes in the fuel of petroleum products, notably PMS, have often been fiercely resisted by a combination of labor unions, civil society and the generality of Nigerians. The manifestation of such resistance has been the call for worker strikes ordered by the Nigerian Labor Congress and the Trade Union Congress, the two most notable labor unions in Nigeria. Thus, the attempt at effecting a total withdraw of subsidies on PMS, a part of the Jonathan regime’s policy position on furthering the deregulation of the
Nigerian oil industry and attendant public resistance, is a continuation of the narration of the history of animosity between the Nigerian state on the one hand and organized labor, civil society and the Nigerian mass on the other. Although earlier attempts at increasing the pump price of PMS by the Federal Government have been accompanied by labor strikes and protests by Nigerians and the nation, widespread appeal and public participation indicate that the protests arising from the January 1, 2012, price hike aroused were unprecedented.

A week of nationwide mass actions led to the virtual shutdown of the Nigerian economy as citizens, under the guidance of civil society and labor unions, embarked on the most coordinated mass action that has ever resulted from the hike in fuel prices in Nigeria (Social Action, 2012). Reeling from the revenue loss and worsening economic situation, the Jonathan regime engaged labor leaders for dialogue facilitated by the Nigerian Senate. The announcement of a pre-determined PMS Price by the Federal Government without the consent of the labor unions, the face-to-face VoLTE decision to call off the strike by labor unions, and the whittling down of the intensity of the popular protests dubbed “Occupy Nigeria” are the different manifestations of the politics of the January 1st 2012 fuel subsidy removal protests. Whatever position one might take as it relates to the politics of the protests and their final outcomes, one thing that is irrefutable is the fact that mass protests represent the culmination of seething anger among Nigerians about the appalling state of governance in the country. It also represents a continuum in the trajectory of mass action and popular uprisings raging across the continent, which commenced with the Arab Spring in Tunisia, the latest being the uprising in Burkina Faso that swept the Blaise Campaore regime out of power.

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