

**NIGERIA LABOUR CONGRESS AND THE DEREGULATION OF THE OIL SECTOR
1999-2014**

BY

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CERTIFICATION

This research has been carefully examined and approved as satisfying requirement of the Department of Political Science, Faculty of Social and Management Sciences, Bayero University Kano, for the award of Master of Science (Msc) Degree in Political Science.

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DEDICATION

This research work is dedicated to my beloved and caring parents Alhaji Suleiman Muhammad Sargo and Habibah Suleiman.

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All praises and gratitudes be to Almighty Allah (SWA) the creator and the sustainer, who spared my life to this moment. May His infinite mercy and blessing be upon our noble prophet Muhammad (SAW) through whom we received revaluation of devine guidance.

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ABSTRACT

A part from its primary responsibility of promoting and protecting the interests of its members, the organised labour (NLC) in Nigeria plays an important role in the political and socio-economic affairs of Nigerian state. The fact that Nigerian economy is heavily dependent on the oil sector can not be over emphasised, and for decades this sector is faced with series of crises leading to its inefficiency, which negatively affects the nation's economy. To overcome this problem the Nigerian Government decided to adopt a neoliberal policy of deregulating the sector through systematic and gradual withdrawal of government subsidies and divestment in sector. This generated a serious debate (conflict) in the country between the Government and the NLC. The Government claims that deregulation will lead to general efficiency and higher productivity of the sector, which will culminate to the economic growth and development of the country. On the other hand, the organised labour argues that deregulation is a policy of bourgeois elements (foreign and domestic) seeking to control and appropriate Nigerian oil economy for themselves, emphasising that the policy aimed at invigorating the private sector (whose aim is profit maximisation), which will eventually lead to higher cost of prices and subsequently deterioration of living condition of workers and other less privileged groups in the country. Consequently, the comparative approach and qualitative method adopted in conducting the study come to realise that even though free market could be a mechanism for wealth creation and revenue generation, but the policy lack capacity for fair and equity in the distribution/redistribution of resources in the society. Therefore state involvement in the provisioning of petroleum products in Nigeria is of paramount importance considering its importance in the life of Nigerian citizens.

CHAPTER ONE

1.1 INTRODUCTION

The history of mankind is a history of struggle and goal setting towards self actualization, For this reason conflict become an inevitable phenomenon in every human society, because there is a constant struggle between the dominant and the dominated members in the society.

Like wise in any wage labour society there exist constant, persistent and perpetual struggle between the employers and the employees or between the capitalists and the labourers , as workers cannot struggle or fight for their cause (right) on individual basis. They organised themselves into union(s).

It is in this regard that Sunmonu in Adewumi (1997:4) posits that in Nigeria “trade Unions were borne out of struggle of workers to improve their conditions of service, stop exploitation and to be treated with respect and dignity”, these cannot be achieved unless they (trade unions) mobilize their members to struggle for the improvement of their conditions of employment (Adewumi: 4). Hence labour unions and labour movement are the main mechanism, strategy and instrument through which workers struggle to achieve their set goals and objectives.

It is the intention of this research work to relate the historical origin, evolution and development of labour movement and trade unionism and their contributions or influence in the formulation or reformulation of socio-economic policies and political activities in the country. This is of particular interest, because labour unions are widely acknowledged as one of the most important, powerful and effective instruments or medium for public opinion expression, and to some extent labour unions serves as

dependable mechanism for the protection and advancement of the socio economic interests and aspirations of workers and other less privileged members or groups in the society. In view of this the study will look into the previous and contemporary roles and contributions as well response (reactions) of labour unions towards some government socio-economic policies with particular reference to deregulation policy of the oil sector in Nigeria. It is against this background Adams Oshiomhole former NLC president asserts that “As citizens, workers have rights beyond the world of work which requires unions to engage in the governance process and government officials on public policies” (Lukman, 2004:8).

1.2 BACK GROUND OF THE STUDY

Being a world-wide movement today, labour movement/ trade unionism had its roots in the first industrial revolution in Great Britain in the 18th century, when workers protested against developing industrial capitalism by destroying capitalists’ property. Labour movement is a comprehensive concept of workers organised efforts in evolutionary or revolutionary ways to change capitalistic society in order to improve the economic, social, political and cultural situation of working class people. Although based on working class idea, labour movement include all kinds of socialist and non socialist organisations, mutual aid societies (civil organisations), trade unions, political parties, cultural organisations, consumers cooperatives and certain women’s and youth organisations are basic organisations of labour movement (Smelser and Baltes, 2011).

Although, the origin of labour movement and trade unionism can hardly be traced in Nigeria, (See chapter three of the study) nevertheless some available literature revealed

that the history labour movement and trade unionism are linked to colonial regime. But for what ever reason or circumstances the movement is characterised by perpetual struggle, conflicts, rivalry and some times open confrontations between the labour union(s) on one hand and the political authorities and other employers of labour on the hand. Despite the hostile relationship between the labour unions and the political authorities in the country, it is also evident that over a long period of time the organised labour had played and is still playing an important role in the socio-economic and political progress and development of Nigerian polity.

The ideological differences, ethno-religious sentiments and sectional/regional inclinations which characterises Nigerian polity and its politics also manifested itself into the politics of Nigerian labour movement which led to the factionalisation and emergence of different labour centres in the country. As divisions negatively affect the activities of the Nigerian labour movement, this resulted to search for a single central labour organisation in the country, which culminated to the birth of Nigeria Labour Congress (NLC), in 1977 as the only central labour organisation in the country. The reorganisation of the nearly a thousand trade unions to 42 in 1977 was an important landmark in the history of this important movement. Therefore “the compulsory affiliation of unions to the Nigeria Labour Congress and banning of the prominent international labour organisations from operating in the country is one blow which eliminated factionalism at the centre” (Otobo, 1995:30-31).

NIGERIAN STATE AND OIL ECONOMY

Before the discovery of oil (petroleum products), agriculture had been a bedrock of Nigerian economy and viable source of government revenue. The sector also provided

job opportunity to Nigerians more than any other sector in the country. “For example in 1960 agriculture accounted for over 97 % of Nigerian export earnings” (Braj, 2014:37).

With the discovery of oil in commercial quantity coupled with the oil boom in 1970s which culminated to temporary increase in Nigerian revenue. “By 1980 the value of exports has risen to 26 billion dollar, and per capita GNP to 1000 dollar” (World Bank, 1991:402). This development led to serious neglect and abandonment of former Nigerian economic base.

The situation was reversed in 1980s, as the international oil market progressively weakened and declined, the per capita income fell to 490 dollar in 1987 and to only 300 dollar in 1989 (1991:402).

For one to say that Nigeria’s economy is presently dominated by oil is an understatement. “In 2002 oil and gas exports accounted for more than 98 % of export earnings and about 83 % of Federal Government revenue (Tanko, 2008:137). “The current crude oil production stands at nearly 2 million barrels of oil per day, with associated gas production of about 2 billion standard cubic feet per day...” (Woodhill in Tanko, 2008:137). Thus, oil became the dominant source of Nigerian Government finances.

Consequently, the sharp decline in the oil price of the first quarter of 1986 increased the urgency for economic reforms in the country, and in 1986 the government introduced the Structural Adjustment Programme (SAP) ... aimed at promoting economic efficiency and long term growth (World Bank, 1992:402). And subsequently, the policy reforms culminated to adoption deregulation of the Nigerian oil sector.

1.3 STATEMENT OF RESEARCH PROBLEM

Workers everywhere in the world formed unions and become unionised in order to strengthen themselves so as to promote and defend the interest of their members and sometimes to protect the remaining less privileged groups in the society. But both the government and other employers of labour make use of regressive and oppressive means to subvert and weaken the NLC's efforts through threat of intimidation, arrest and detention and some times government desolved the union and put bans on its activities in the country. Therefore one major problem facing Nigeria Labour Congress (NLC) is the heavy involvement and intervention of the state in its affairs. This involvement is predicated on its claim of being the so called custodian of the public good as well as the largest single employer of labour in the country. This involvement is largely expressed through legislation and policy decisions. There is also resort to extrajudicial coercive means incorporating the use of force or threat to compel workers to dance to the tune of the government and other employers of labour in the country.

In 2004 Adams Oshiemhole the former NLC president also confirmed that, the intention of the federal government in the proposed labour bill include:

- Deregister the NLC as a central labour organization;
- Impose restrictions on the right of workers to use the medium of strike in pursuit of grievances.
- Vest the minister of labour with the discretion to register or not register new labour centres and the power to determine the centre to which a union must seek affiliation (Lukman, 2004:7).

Decree No 15 of 1977, prohibits industrial actions (strike) in some areas which government classified as essential services, thus, the Decree explicitly made strikes by petroleum workers a capital offence (Adesina,1994:7).

Pertaining to the deregulation policy of the oil sector, it is established that one of the fundamental problems facing developing countries including Nigeria is inability and failure of the leaders to make decisions, formulate and implement policies that will induce and ensure sustainable socio economic development. The ruling elites in Nigeria have been misusing and manipulating their official positions against the fundamental aim for their own personal personal and economic gain. This attitude exhibited by the ruling elites contributed to a sour relationship between the Nigeria Labour Congress and the ruling elites in the country which is often characterised with perpetual struggle, conflict and sometimes open confrontation. Therefore, poor management strategies exhibited by the ruling elites, coupled with the corrupt civil service also constitutes a stumbling bloc towards achieving efficiency and sustainable development in Nigerian oil sector. This also resulted to the poor and epileptic services delivery and general performance decline in the sector. Consequently, this also contributes to the sour relationship between the government and the Nigeria Labour Congress in the country.

As Nigerian workers continue to express their fear and doubt about deregulating the oil sector, the study will look into such fear and arguments of NLC in relation to deregulation of the oil sector and living condition of workers and other lessprivileged groups in the country. In addition the on going government oil policy reform from publicsector to private sector driven economy may eventually lead to tight integration of Nigerian oil

economy with the economies of the developed countries which may be detrimental to the former and advantageous to the later.

1.4 OBJECTIVES OF THE STUDY

The general objective of this study is to give an assessment and evaluation of the views, response and reactions of the Nigeria Labour Congress (NLC) towards the government policy of deregulation of the oil sector in Nigeria from 1999-2014.

Specific objectives of the study include the following

1. To highlight the role and contributions of labour/trade unions (NLC) towards defending and protecting the interest of its members (workers)
2. To examine the contributions of labour/Trade unions towards enlightenment and societal liberation aimed at protecting and improving welfare of both its members and the general public especially the less privileged groups in the society.
3. To examine and assess the role/contribution of Nigeria Labour Congress (NLC) in formulation or reformulation of public policy in Nigeria, with particular reference to deregulation of the oil sector.

1.5 RESEARCH PROPOSITIONS

One of the core components of social science research work is formulation of research proposition i.e ‘statement about relationship between abstract concepts or variables’. Formulation and implementation of socio-economic policies is a responsibility of Nigerian Government, but as an interest and defensive organisation The Nigeria Labour Congress serve as a watchdog with keen interest on deregulation policy of the Nigerian

Oil Sector for the fear that ‘deregulation could lead to deterioration of living conditions of workers in Nigeria’. Although deregulation as a (neoliberal) economic policy could be an instrument to be used by government to improve efficiency in the Nigerian oil sector in order to ensure effectiveness in the production, supply and distribution of petroleum products in the country. But the policy underscores the causal relationship between economy (market) and the state, thus the policy could be an instrument for wealth creation, but it lacks capacity for fair and equitable distribution/ redistribution of resources in the society. Therefore the two concepts i.e state and economy could hardly be separated in the study of political economy.

1.6 SIGNIFICANCE OF THE STUDY

The significance of this study is toward understanding that even though Nigeria Labour Congress (NLC) is not directly part or involved in the decision/policy making processes in Nigeria, but its activities may influence the thinking and actions of the policy makers (government) which some times resulted to reframing/reformulation and even reversal of some governmental policies and actions in the country. Thus the former NLC president Adams Oshiomhole cited that “NLC took a lead to oppose deregulation and forced government on many occasions to reverse itself over petroleum products price increase” Lukman (2004:8) He further stated that “the challenge of NLC leadership is to cooperate with the government when the government does anything right and contest (oppose) when government impose unpopular or make bad policies. (Lukman, 2004:11).

In addition the study will shed more light on the role of labour union (NLC) in the expression of public opinion and interest in the country.

Moreover the experience of the Nigerian workers and the masses in the country in regards to increase of oil price and removal of subsidy which are all ultimate aim of deregulation of the oil sector had been very bitter. The NLC as watch dog on government and its policies declared that “The current civilian government is committed to market oriented and private sector led development...deregulation of the petroleum sector. These have had adverse implications for employment, prices and public welfare” (NLC,b,2007:31).

The study will significantly provide useful insight for assessment and evaluation of the contribution and challenges of Nigeria labour congress (NLC) in political and socio-economic development in Nigeria.

Finally the research work may serve as reference material or it will serve as the basis for further (future) research, since knowledge is an open ended process.

1.7 RESEARCH QUESTIONS

The research questions of the study are:-

What is likely to be the causal relationship (effect) of deregulation of the oil sector and the living condition of Nigerian workers and other less privileged groups in the country.

Whate will be the likely impacts and the resultant effects (outcome) of deregulation of the oil sector on the Nigerian economy.

1.8 SCOPE AND LIMITATIONS OF THE STUDY

This research work is restricted to the examination and evaluation of the reactions of Nigeria labour congress towards government policies, specifically the deregulation policy of the oil sector in Nigeria.

The study is intended to cover the period of deregulation policy of the oil sector from 1999 to 2014. This is because more than any other time deregulation has generated a serious debate between the government and the NLC in the country each defending its perception interest. In addition a research work of this kind can hardly be all encompassing due to time and financial constraints and difficulties in accessing some governmental information.

1.9 RESEARCH METHODOLOGY

Infact methodology is an essential requirement for any research work. This is because methodology encompasses the method, techniques and strategy of data collection and data analysis(interpretatio). In a simple term methodology entails the entire processes of carrying out the research. Thus, this section presents methodand procedure of data collection, sources and the type of data for the study. It also gives a detail description of procedure, approach and thetechnique(s) of data analysis for the study.

SOURCES, TYPES AND METHOD OF DATA COLLECTION

The data for this study is derived from written documents, which incude, text books, memos,official publications (of both Government and NLC), conference papers, newspaper, magazines and any other relevant manuscript etc.

Considering the sources, nature and the type of data collected for the study, qualitative method/approach of conducting research will be adopted. This because qualitative approach “describes, either explicitly or implicitly, the general purpose of the research, the role of the researcher, the stages of research and method of data analysis (Taylor,2013:19). Zango also argued that “in contrast to quantitative method, qualitative approach to research gathered in-depth data, which are usually presented in narrative forms” (Nigeria-U S Relations 2006:69). (See also Taylor 2013:13). According to Abdallah Uba Adamu “qualitative research is a research that relies on qualitative data”. He further explains that if a researcher is going to use qualitative research method the research should look like study trying to explore or establish “the relationship between the study and previous work in the area under investigation” (in Adamu, Mohammed and Dandago, 2006:59&72).

METHOD AND TECHNIQUES ANALYSIS

The data obtained for this study will be analysed, using content analysis method. Earl Babbie in (Shashi, 2007) defines content analysis as “the study of recorded human communications such as books, websites, painting and law”. “Content analysis also called textual analysis is the analysis of text documents”. The analysis can be qualitative or quantitative or both” (Taylor, 2013:29). The sources, nature and type of data collected for the study informed the choice this method, in view of this Taylor clearly stated that “usually written documents are analysed with some form of content analysis”(Taylor,2013:19).

Considering the fact that content analysis is also a broad area in research methodology, the study adopts a model of ‘Thematic analysis of text’ which denotes “identification of themes or major ideas in a document or set of documents. The documents can be any kind of texts including text books, news paper articles, technical papers, organisational memos etc” (Taylor, 2013:27). It is in view of this that Smelser and Baltes emphasised that “Texts and transcripts have been the far most objects of content analysis” (Smelser and Baltes, 2001).

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAME WORK

2.0 NIGERIA LABOUR CONGRESS

The emergence of labour unions and their activities as well as relevance has drawn the attention of various scholars and leaders worldwide hence, their views and postulations.

In simple terms, according to Mark Pennington, Trades unions and employers associations are typical economic interest groups-they seek policies that will increase the income or job security of their members(Bara & Pennington,2009:260).

Labour movement is a term that refers to the efforts of workers as a group to improve their economic position. The movement consists chiefly of attempts by labour unions to promote the welfare of wage earners. (The World Book Encyclopedia, L 12, 2006:4).

Looking at it in a broader perspective within Nigerian context Omotoye Olorode, argued that by the term “Nigerian Labour Movement,” means all individuals and groups who are directly involved in creating the wealth of a country(commodities,infrastructures,services etc.) but who benefit only marginally from the wealth they so create. While the core of the labour movement is composed of those who work for wages and salaries, the labour movement also includes the unemployed some of whom are driven into joblessness because employers, including governments, want to cut cost or increase/sustain profit(NLC,d, 2010:4). Related to this broader definition is the concept ‘Working Class’ which Harry Braveman argued that does not describe a specific group of people or

occupations but is rather an expression of a process of buying and selling labour power (Ritzer, 2008:297).

The growth of trade unions in West Africa (Nigeria in particular) was synonymous with the rise of nationalism because the unions used the weapon of strike to fight for equal treatment in employment irrespective of race, colour, creed and sex (Anyaele, 2003:144). In line with this one is correct to say or conclude that racial segregation and discrimination in the civil service and employment practiced exhibited by the colonial rulers gave impetus to the emergence, growth and development of labour unions in Nigeria. According to Walter Rodney “the employer under colonialism paid an extremely small wage-a wage usually insufficient to keep the worker physically alive (1972:178)

Commenting on the character and attitude of both private employers and government towards unionisation of workers during colonial era, Ootobo posits that in 1950s “Over ninety percent (90%) of private employers were preventing workers from forming unions and sacking those that went on strike, the government was determining conditions of service by using salaries commission and was also proscribing unions at will” (1995:13)

It is a known fact that in Africa governments have been using legislative, administrative and some times judicial means to subvert and oppress labour movements in their countries. A good case in point (example) is the life sentence passed on nine NEPA (National Electric Power Authority) union officials in 1989 in Nigeria. They had been detained since the middle of 1988 for taking an industrial action(strike) concerning inadequate wages and poor conditions of service. Very significant is the fact

that they were charged with economic sabotage, an offence in Nigeria which carries the life sentence (Isamah, in Osaghae, 1994:141-142).

Recent judgement by Justice Roselyn Ukeje between the Federal Government and the NLC confirmed the above notion, as Justice Ukeje ruled that NLC is exclusively a trade union body that can not go on strike or contest government on socio-economic issues, including through negotiation. The Judge further ruled that the office of the President of the NLC was unknown to law and should be restricted to the NLC in exercise of any function or powers attached. Thus NLC conclude that the judgement was merely to lay foundation for increase in fuel prices come October 1, 2004 (Lukman:10&11).

So in the absence of unions workers do not have an established mechanism for informing employers of grievances about working conditions, wages, or other aspects of employment relationship. If a single worker is to complain, the employer might decide to suspend, demote or even dismiss him from the service. Thus, unions give workers a recognised channel for airing grievances.

According to the Orthodox theorists (Sidney and Webb's Beatrice, 1897) "The relevance of trade unions lies in its capacity to act as groups so as to mitigate the evil effect of industrial capitalism" (Aremu, 1993:3)

Workers formed unions because their bargaining power as a group was greater than that of individuals. If all the employees in a factory or other business stopped work, it would be difficult to replace them....After a union has become established in a plant or industry,

its major function are arranging labour contracts and handling job disputes. The World Book Encyclopedia L.12 (2006:4).

Equally important is the provision of 1999 constitution of the federal republic of Nigeria section (40) which provides that, “every person shall be entitled to assemble freely and associate with other persons, and in particular he may form or belong to any political party, trade union or any other association for the protection of his interests”. In addition section 17 (3) provides that “the state shall direct its policy toward ensuring that;

(b) “ Conditions of work are just and humane...”

(e) There is equal pay for equal work without discrimination on account of sex or any other ground what so ever.

According to Tony Oghorodi Labour union is widely recognized as one of the most powerful and effective organs for political expression and to that extent a dependable vehicle for the protection and advancement of economic interest and the aspiration of the less privileged members/ groups in the society. (Sokunbi, Jeminiwa and Anaeke, 1995).

Another important concept worthy of review in this study is labour force. Labour force is the segment of nation’s population that works for pay or is actively seeking work. This group produces most of the nation’s goods and services, and its size and productivity help determine the nation’s economic growth. (The World Book Encyclopedia L.12, 2006:3) Trade Unions are, according to Galenson (1964) “integral parts of the productive mechanism and consequently have an important role in the development process. Evidence from the industrialised countries of the world points to the fact that, in one form

or the other, unions, although primarily defensive organisations, contributed to the development of these societies. The contribution was however, inspite of the hostility and some times, outright violence, which was directed at the unions by employers and the State (Austin Isamah in Osaghae, 1994:123).

Therefore apart from its primary objective of defending the interest of its members, labour union could be seen as political and economic revolutionary movement of able men and women in the society. Thus “this view point derives directly from the writings of Karl Marx and his recognition of working class as revolutionary class in modern capitalist society. Scholars who subscribe to this radical paradigm argued that trade unions possess an enormous political potential with which they could, if proper consciousness of class developes, shape the pace and direction of economic development” (Isamah in Osaghae, 1994:124).

In factrealising the important contribution of labour towards political and socio-economic development of the nation, and the role it is playing in decision making, policy formulation and implementation of government programmes, the federal government of Nigeria asserts that “As major stakeholders, it was considered appropriate that their concerns and fears are given due attention and prompt response”(FRN,e, 2001:35). Therefore it is not surprising that victor C Muroako, the Acting Chairman of Fiscal Responsibility Commission warned state Governors on their move to cut workers minimum wage of 18,000 Naira. “Iam not in support of the state governors’ position that they would like to cut the minimum wage from the current 18,000 Naira. This is because

this may spark off labour unrest in the land” and “such move will be counter productive as it will trigger labour unrest” (Guardian News paper, 24th November,2015:6).

Labour Union serve as employees voice and medium for participation in decision making process in any organisation. Thus Ushie and Ogaboh, opined that the concept employee voice/ participation covers the provision of opportunities for employees to register discontent and modify the power of management. It embraces involvement, and more significantly participation. They further stressed that involvement means that the management allows employees to discuss with it, issues that affect them.... Participation is about employees playing a greater part in the decision making process. They also argued that the concept is closer to employee voice system, which entails the arrangement for ensuring that employees are giving the opportunity to influence management decisions and to contribute to the improvement of organisational performance (Atilola, 2010:80-81). It is in view of this that, Petroleum and Natural Gas Senior Staff Association (PENGASSAN), urged the Executive and Legislative arms of government to work together to give priority to the passage of the Petroleum Industry Bill (PIB) due to its importance to the nation’s oil and gas industry. It demanded for all-inclusive industry stake-holders’ summit to ensure that various stake holders’ inputs are represented in the Bill to protect National and Industry’s interests and ...to ensure that the interest of workers in the industry are also protected (The Guardian, 24th Nov, 2015). This is one of the persuasive measures/ strategies employed by labour unions in trying to be coopted and participate in decision making process in order to influence government policies and legislations in favour of their members. But the labour union must be careful with co-

option strategy as may have negative impact or implication on the side of labour movement. For instance, Adams Oshiomhole who was one time National President of NLC was a member of salaries and wages commission 1991-94, member in the vision 2010 committee 1996-97, Chairman of the Board of Directorate of the Nigerian Social Insurance Trust Fund 2000-2007, member in the National Council on Privatisation 1999-2007. Subsequently Oshiomhole became a defender of Obasanjo's anti-workers economic reform (Braji, 2014:77).

It is obvious that labour's goals are often always in conflict with those of the employer. Higher wages, allowances, safety at work and other good condition of service are the interests of labour unions while cutting cost to maximise profit is the main interest of employer. Therefore the two parties settle their differences and establish conditions that are acceptable to both through a process called collective bargaining. This is not only necessary a must because for growth and sustainable development to be achieved in any society there must be cooperative and harmonious industrial relationship.

Trade unions, the organisations of working men and women, have become a common feature of modern societies. They are according to Galenson (1964) 'integral parts of the production mechanism' and consequently have an important role in the development process. Evidence from the industrialised countries of the world points to the fact that, in one form or the other, the unions, although primarily 'defensive' organisations, contributed to the development of these societies. The contribution was, however, in spite of the hostility and in some instances, outright violence, which was directed at the unions by employers and by the state. Sturmfels (1960) observed that even in the present

advanced countries of England, France, the United States and Germany the growth and development labour movement/trade unionism was oppressed through legislative, administrative or judicial devices. Thus, the combination of Acts in England, the Loi ‘Chapellier’ in France, the ‘Criminal Conspiracy’ doctrine under the common law in the United States, the suppression of any effective worker’s union in the North- German Confederation and the anti-Socialist laws of Bismarck are examples of this phenomenon. And yet when they (unions) did emerge fully they made significant contributions to national development (Austin Isamah in Osaghae, (1994:123). The above discourse confirmed the historical existence of persistent rivalry and conflict of interests between labour and state in the study of political economy not only of Nigeria but the entire world.

In 1977 the Nigerian Military Government enacted the “Petroleum Production and Distribution (Anti-sabotage) Decree No.15”. The Decree made strikes by petroleum workers a capital offence. A wide range of activities were classified as ‘essential services’ where industrial action of any sort was explicitly prohibited. Violations of the provision of the decree could lead to the proscription of union. The No work, No pay rule, for the first time got on the statute book, “in October, 1977 two Shell-BP unions were proscribed by the regime for going on industrial action” (Adesina, 1994:7).

The above discourse confirmed the historical existence of persistent rivalry and conflict of interests between labour and state in the study of political economy not only of Nigeria but the entire world.

The interest of labour and that of employer/capital are always in conflict, in line with this Marx argues that “in the course of the development of capitalist industrial production, value (labour value) becomes less and less adequate as a measure of the real wealth produced.” Postone (1993:26). Marx also held the view that “private property is not the social cause but the consequence of alienated labour....” (Postone, 1993:31).

Indeed the contribution of labour union in societal liberation towards political, economic and social emancipation cannot be over emphasised. Thus, Olorode theorised that, each time the Labour movement under the organized core (the NLC) makes demands that benefit the oppressed and the exploited across the board, the ruling class (the class that benefits from the exploitation of the laboring or working class) are united in fighting the labour movement. (NLC,d,2010:4). Fashina posits that workers struggles included resistance to increase in the price of petroleum products, the struggle for an increase minimum wage, the right of workers to political organization of their own, and the protection of democratic rights. (Fashina O. 2009:52).

Commenting on the position of the labour union on deregulation of the oil sector in Nigeria, Onah Idub argued that, “the NLC took a decision to sufficiently educate the public on the dangers of deregulation through a series of national mass protest rallies and campaign. These rallies, which have now come to be known as anti-deregulation rallies, across the country were pre-emptive warning shots by the NLC that it will not fold its arms while government goes ahead to implement policies that would ultimately harm workers and the masses. (NLC,d,2010:18). Added to the resistance of the deregulation policy is the issue of putting in place a living national minimum wage. (NLC,2010:18).

I.U F.A (1985), posits that, “it is desirable to see trade union as continuing, permanent democratic organisation run by the workers with the view of protecting themselves at work, improve working conditions and see beter working life in the society in general” (See, Sokumbi, 1995).

In addition, Omotoye Olorode asserts that the governors have not endorsed the NLC’s demand for a new minimum wage or for a halt to the planned deregulation of the price of petroleum products.....that all the ruling parties that control Nigeria support privatisation and sale of public properties contrary to the position of the NLC....the ruling class hide behind tribe, religion and geographical divisions to stay in power to supervise exploitation. While the core organisation of working people(the NLC) mobilises Nigerians on the basis of what unite them-decent living wages,right to education,right to good health,right of access to the use of God-giving natural resources of our country,portable water, petroleum products, etc. (NLC, d, 2010:4).

In fact the imperial capitalistic and colonial policies of political domination, economic exploitation,social subjugation, racial discrimination and dehumanisation contributed immensely to emergence and development of labour/ trade unions in Africa and Nigeria in particular.

According to Hassan A. Sunmonu;

“In Nigeria trade, unionism began in 1912 through the formation of a trade union by workers of the colonial civil service. The colour discrimination in the colonial civil service, low wages and poor conditions of service were the main reasons for the formation of the civil servants Association,... in those early days of colonialism, no Nigerian, however qualified could rise to a ‘senior service’ position in the colonial

administration. Even those who qualified in medicine with their white counterparts in the same universities could rise only to the post of Assistant medical officer. It was due to the pioneer Nigerian Trade unionist of those days that some improvements in the conditions of service were effected(In Adewumi, 1997: 3-4).

Sunmonu concludes that “in Nigeria trade unions were born out of struggle of workers to improve their conditions of service, stop exploitation and be treated with respect and dignity” (Adewumi, 1997:4). So it is not surprising that the Federal Government of Nigeria viewed labour union and trade unionism in a very narrow perspective by stating that “Trade unions are essentially collectivist class-based organisations of workers, fired by irrepressible concern of social justice and solidarity, as basis for advancing the material and cultural well being of the working class” (Beckman, 1991:14).

Other scholars also viewed labour union as purely interest group, Rainer Erd and Christopher Scherre (1975), stressed that “Trade union in Germany be assessed as ‘labour market party’ representing specific group of workers that fulfil meaningful roles within the existing democratic system. The union relevance lies in the extent it has developed on the basis of labour market segmentation and at the same time reinforces this segmentation” (Aremu, 1993:5). But this narrow view was debunked by Beckman (1991) who emphasised that labour union of course labour unions seek to influence and if possible change government policies in favour of workers through dialogue, negotiations and collective pressure. But in addition to this labour unions also have the right to collaborate with professional bodies, civil and mass organisations for patriotic causes. For example, the mass rally/protest organised and chaired by the NLC in January, 2012 against government decision on removal of fuel subsidy in Nigeria.

Trade union and unionism is not confined to Africa (Nigeria) alone but it is a global phenomenon. In Britain the perpetual conflict and struggle between the working class and the capitalists (employers of labour) resulted to the political enfranchisement of the working class. "In the nineteenth century, the vote was extended to larger and larger number of people. (Working classes). The political value of the vote was not lost on the enfranchised people. ('Because') They (working class) naturally returned people to parliament who were pledged to support all measures calculated to achieve a better distribution of wealth. Hence, the formation of labour party in Britain and similar socialistic parties elsewhere" (Appadorai, 1986:105). The above postulation is a clear testimony and evidence of the relevance of working class (workers) in the political affairs and evolution of Britain itself.

It is unarguable fact that the industrial revolution in Europe which later spread to other parts of the world led to mass production of industrial goods. And industrialisation brought about substitution and replacement of human labour with modern machines. The implication of this development is that "those who had stake in the traditional economy lost ground as mechanised production replaced house hold manufacturing. And often skilled workers found their income and status (positions) under attack from new machines and relentless division of labour..." In order to counter the power of the business capitalists, who are also the employers of labour the workers tried to form trade unions to represent them and bargain for their rights (Encyclopedia Britannica, online).

In socialist point of view syndicalism is the word that denote labour union. "Syndicalism is derived from syndicate, the ordinary French term for labour union, and may be defined

as that form of social theory which regards the trade union organizations as at once the foundation of the new society and the instrument whereby it is to be brought in to being...in order to paralyse capitalist economic system and to end capitalism. After achieving self transformation through some institutional and structural changes the writer concludes that "Syndicates of workers will control the means of production, they will only use (not own) such property with the consent of society. They will be connected with the rest of society through local unions of workers and general confederation of labour (Appadorai, 1968:121).

Looking at it on a world wide scale and commenting on the historical and imperial exploitative character of the relationship between state, labour and capital Samir Amin held the view that the price of labour in the imperialist centres is not independent of that in the dominated peripheries, therefore the average price of labour power as a whole must correspond to its value in relation to the development of the productive forces on world scale (Amin, 1980:228). Based on the above views one can say that state-labour relations is a socio-economic and political issue which also cut across states boundaries and attracted scholars attention world wide.

In fact trade unions and labour movements played a significant role in the political development of their respective countries Nigeria inclusive. As a major stake holder in the polity, the labour union in addition to its traditional function of protecting the interest and advancing the welfare of its members, it has been an active player/ participant in the political evolution of Nigeria. According to Gerhald Wendler, it was the trade unions which fought in the fore front in the struggle for national (Nigeria's) independence.

Unionists proved their dedication to the nation and demonstrated patriotism. In view of this Abiodun asserts that “The trade unions strikes of the 1940s constituted major elements of the political struggle. These strikes and all others directly rekindled political activities and nationalist struggles and left their imprint on national politics” (Adewumi 1997: IV and 119). A veteran labour writer Pastor Umoh James Umoh while commenting on the contribution and the role of labour unions/ movement in the anti colonial struggles that eventually led to the Nigeria’s independence, asserts that the two historical strike were the 1945 general strike led by Michael Imodu and the Iva valley miners’ strike of 1949 that led to a massacre of workers” indeed this shows high level of commitment and sacrifice of Nigerian workers to their nation.

In addition Adams Oshiomhole posits that “At various times they (Trade unions) have played important roles in the decolonization process and struggle against military and dictatorship in their respective countries” After the attainment of independence labour union concentrated and focused more attention to the struggle for an equitable distribution of resources, social justice and good living wage in the polity. (Adewumi, 1997:91&NL,c,2002:18-19). Realising that governments and political parties differs in their views concerning matters affecting labour, for this reason some times trade unions engage themselves in politics and political processes by spornsoring or supporting particular candidates or political party in order to have stake and their interests represented in the government, through this trade unions try to influence government legislations and policies that are favourable to labour. In view of this Beckman and Sachikonye asserts that “workers get involved in politics in order to ensure labour-

friendly outcomes” (Beckman, Buhlungu and Sachikonye, 2010:3). There fore, it is not surprising that Owei Lakemfa concludes that “the whole struggle by workers to unionise was political. They wanted to have basic rights, good working conditions and to be treated as human beings free from oppression and poverty (Adewumi, 1997:89).

2.1 DEREGULATION

Pertaining to deregulation policy of the oil sector, the Government and other proponents/supporters of the policy are with the view that economic depression, perpetual and persistent economic crisis in the country necessitates the introduction/implementation of deregulation policy in the oil Sector by the Federal Government of Nigeria as an alternative solution to the problem. Thus Osborne and Gaebler argued that in a time of declining public resources, government must move from a bureaucratic model to an entrepreneurial model (Robin, 2003:970). In simple terms the word deregulation means the act or process of removing restrictions, or regulations on an entity.

Deregulation is a term associated with the economic and political policies that led government to remove restrictions on business to encourage efficiency and spur the creation of private wealth. Cutting corporate taxes, reducing the power of unions....” That the new paradigm was based on national economies being more open than they had been previously. Countries were less able to pursue independent policies because”. Firms began to operate without regard for domestic borders (Scholte and Robertson, vol. 1:299, 2007).

While the Federal Government of Nigeria define,Deregulation as the opening up of an industry or sector of the economy to allow private investors to operate with the government only creating an enabling environment for business to thrive” (FGN,a).Deregulation of downstream sub sector of the oil industry is the removal of price control regulations on premium motor spirit (petrol) that distort the market and discourage serious private sectors from investing in the subsector (FGN,b).

According to Baba Aye, deregulation entails the reduction, simplification or even outright removal of government’s rules and regulations that in anyway control the financial market or trade. It “frees” enterprises and services to the unimpeded forces of demand and supply, giving Adam Smith’s “invisible hand”, the freest of hand in the allocation of resources within the process of production and exchange (NLC,d, 2010:17).Samuel Olafin opined that trade and openness have become compelling issues in evolving strategies for sustainable development. (2002:309)

Commenting on similar policy, Structural Adjustment Programme (SAP) Jega stated that “the essential elements of SAP included currency devaluation and exchange rate deregulation, cuts in public expenditure especially in the social sector and socalled removal of subsidies on state provided goods and services, and privatization and commercialization of public enterprises” (2003:32).

Similar to what happened in the 1980s, during the SAP era inNigeria. In the year 2000, the Federal Government signed an agreement on resumed lending with the World Bank and a few days later a 50% increase in the price of petrol was announced. The NLC declared a general strike and insisted that no serious discussion about possible future

increases could be entertained until the government had first restored the original price, as it had not been consulted in the first place. The strike action met with wide national support and was joined by market women and other popular groups, causing a virtual paralysis of economic life in major cities and transport system generally. After eight days of strikes, a compromise was reached and a modest increase was agreed upon. However, the international finance institutions were committed to pushing through deregulation and NLC continued to resist, claiming that it had the support of all patriotic Nigerians and the mass of our people. The dramatic confrontations over minimum wages, fuel prices and deregulation served to boost the public image of the labour movement in Nigeria (Beckman, Buhlungu and Sachikonye, 2010: 59-62).

Commenting on the post industrial knowledge-based global economy Robinson asserts that, theorists in reinvention argue (propose) for a new “paradigm” where the locus of control for design and delivery of services should be shifted whenever possible from the governmental agency to the community or empowered citizens. This new approach to government focuses on result not rules, developing clear agency missions and goals....and utilizing market mechanisms to deliver services. The ultimate aim of reinvention theory is efficiency in the delivery of goods and services, this can be found in Osborne’s definition of reinvention who defined it as “The fundamental transformation of public system and organizations to create dramatic increase in their effectiveness, efficiency, adaptability and capacity to innovate”(Robinson, 2003:970).

The Nigerian government further argued that “Deregulation will promote efficiency in the production and supply of petroleum products as producers and marketers will be

forced by competition to adopt the most effective means of producing and getting products to the end users” (FGNb).

Although deregulation may encourage and facilitate Free Trade which denotes interchange (exchange) of goods and services across political boundaries without restrictions such as tariffs, quotas, or foreign exchange controls. As its proponents argued that, Private international capital flows, particularly foreign direct investment, are vital complements for national and international development efforts. Foreign direct investment contributes towards financing sustained economic growth over the long term. It is especially important for its potential to transfer knowledge and technology, create jobs, boost overall productivity, enhance competitiveness and entrepreneurship, and ultimately eradicate poverty through economic growth and development. (Siedu and Brempong 2008:49). But this idea contrasts with the protectionist policies that use trade restrictions to protect or stimulate domestic industries.

Therefore deregulation policy can be seen as an instrument or strategy for globalization and internationalization of investment. As Ishola Rufus Akintoye put it that, one of the most important features of globalization drive today is the conscious encouragement of cross-border investment especially by multinational corporations and firms (MNCs). Many countries and continents (especially developing ones like Nigeria) now see attracting Foreign Direct Investment (FDIs) as an important element in their strategy for economic development. This is probably because foreign direct investment is seen as an amalgamation of capital, technology, marketing and management. (Journal of Economic and Policy Review, 2010:36). In view of this Shamsudeen Usman, argued that African

economies should also be made investor friendly in the context of current liberalization and globalization of trade and commerce that are sweeping across the globe. Africa (Nigeria) cannot afford to close its borders to these forces that are redefining the new world economic order. The task of integrating the African economy in to the global economic framework through electronic technology is enormous and challenging. (FRNd, 2000:14).

Further commenting on the contribution/role of private and foreign investors in economic advancement of developing economies Usman argued that “Recent development in the international economy have shown the prominent and strategic role foreign investment play in the development of the private sector of any economy. For instance the so-called Asian Tigers of Hong Kong, South Korea, Singapore, and Taiwan, which have achieved some measure of economic success are great beneficiaries of high rates of foreign investment inflows, which helped in no small way in the rapid development of their economies and transforming their private sector to become the engine of growth”. Usman concludes that since public sector economic management has been generally unsuccessful in Africa, there is need for further liberalization and deregulation in Africa and active privatization programme of the economy. (FRNd, 2000:14&18)

Deregulation policy and economic globalisation are related, interdependent and mutually reinforcing concepts. Thus Rosenau (1997) posits that economic globalization denotes “the widening and intensification of international linkages and interactions in trade, investment and economic policy orientation in the world (World Bank, 1996). “It connotes the internationalisation of production, capital, and marketing, in which the

world is integrated into a global factory, global money market and global shopping centre. (Adejumobi in Aina, Chachage and Yao 2004:24-25). While Hayek predicted that this market order “would transcend the nation state and become global in scope, bringing a world potentially without borders and political authority” (Scholte and Robertson Vol.3, 2007:865).

Writing further on the state decontrol of the economy Adejumobi argued that, the processes of economic globalization has been facilitated by four main factors. First the collapse of socialist regimes in most parts of the world meant hegemony of the liberal capitalist ideology with far reaching implications for economic outlook and orientation. Secondly, the unprecedented activities of multinational corporations (MNCs), with the phenomena of mergers, acquisitions, and interlocking relationships on aglobal scale led to a gradual transformation of de global economy. Thirdly, the revolution in the information technology has transformed the world into global living room and common market place, where ideas, goods, and services are freely traded. The fourth element is the rise of market reforms as a global economic creed, a phenomenon partly engendered by the global economic crisis which prompted a search for alternative economic and policy paradigms, and most importantly, by the rise of the neoliberal orthodoxy, with its emphasis on market rules and their infallibility. Such ideas of market reforms which emphasise state decontrol of economy actually strengthen economic deregulation which is also a major instrument of neo-liberalism. The policy assumes a standard framework and economic philosophy, which not only link most economies together but it also define the configuration of domestic policies. Indeed, to use the words of Dharam Ghai (1992)

“economic globalisation and market reforms are interdependent and mutually reinforcing” (Adejumobi, 2004:23-24).

The ultimate aims of deregulation policy include the following:

- (1) Reduce the role of government in the economy*
- (2) Allow market to play its role (strengthen free market economy)*
- (3) Deregulate the economy through liberalisation of trade and investment*

According to Mansbach and Rafferty (2008) “The Bretton Woods institutions (World Bank, IMF and WTO) were established by liberals who believed that eliminating tariffs and trade restrictions would enhance global trade and produce greater wealth.

Neoliberal thinkers believe that deregulation brings about rapid growth of international trade, global capital market, foreign investment and the emergence of new breed global corporations. So deregulation aids globalisation and emergence of global economy which may likely enables any entrepreneur to raise money anywhere in the world and use modern technology with little human labour to produce goods and services that can be sold anywhere in the world.

Commenting on government commitment to a sustainable petroleum supply and distribution in the country president Obasanjo emphasized that the downstream sector would be opened up to private competitors, by stressing that his administration “ will leave no stone unturned to make it work in order to stimulate the much needed private sector investments in the downstream petroleum industry. (Standing Tall 2005:26-27).

To further confirm his administration determination and commitment towards deregulation of oil sector president Obasanjo also declared that “Government is here by affirm its commitment to the establishment of of a petroleum products supply and distribution system that is self-financing and sustainable. This system should be characterized by the absence of monopoly and the freedom of several competing marketers to import and export products while ensuring private ownership of refineries” (Standing Tall, 2005:28).

In his effort to restructure and drive Nigerian economy towards neoliberal and much market oriented economy. President Olusegun Obasanjo came up with the new economic programme (policy) known as National Economic empowerment and Development strategy (NEEDS). Thus some of the policy thrust, targets and strategies of the NEEDS programme in the Nigerian oil sector are:

- *To ensure regular supply and distribution of petroleum products through a liberalized and deregulated supply, distribution and refining system.*
- *To increase the drive for investments to establish integrated petrochemicals based on gas stream, with a majority private sector interest.*
- *Completely deregulate and liberalise the downstream petroleum sector, including the distribution network.*
- *Facilitate private sector investment in the development of support industries that use petrochemical products as primary raw materials.*

- *To foster healthy, orderly and competitive development of oil and gas subsectors through effective and efficient regulation standard and quality control agencies. (FGN,d, 2004:76-77).*

To further confirm that NEEDS is economic policy whose aim is strengthening the free market economy and encouraging private sector participation in the economy, the federal government emphasised ‘NEEDS’“is a development strategy anchored on the private Sector as the engine growth for wealth creation, the private Sector is the executor, director and manager of business”. Ther fore,“The Key elements of the strategy include the renewed privatization, Deregulation and liberalization-to shrink the domain of the Public sector and buoy up the private sector (Executive summary)”(In,Fashina,2009:27).

So deregulation policy can be seen as a strategic and economic policywhose aim is systematic capitalist domination of the world. At its core are multinational corporations owned and controlled by capitalist countries in the Western Europe, America and Japan under the guise of breaking down national trade barriers.

In fact the concepts Deregulation and free trade are two coins of the same face. As the central theme of the two concepts centered around promoting free market economy through gradual reduction, removal, and elimination of restrictions on trade barriers among differenteconomies/states.

Deregulation policy like any other economic, social, or political issue in social sciences has its proponents and critics.

Thus, the Federal Government keep emphasising that, “deregulation will promote efficiency in the production and supply of petroleum products as producers and marketers will be forced by competition to adopt the most effective means of producing and getting products to the end users” (FGN, b). The Federal Government further stated that:

- Deregulation promotes competition which enhances efficiency and effectiveness in the supply, distribution and sale of petroleum products at reasonable prices.
- Deregulation opens up the market there by creating jobs for the citizens.
- Deregulation ultimately helps to force down prices through competition.
- Deregulation promotes plurality of operators and supply sources thereby ensuring sustainable steady supply of products.
- Deregulation discourages profiteering by a few persons from the subsidy regime.
- Deregulation helps to save money for infrastructural development (FGN,a).

The Federal Government further argued that deregulation of the downstream sector of the petroleum industry will lead to rapid private sector investment in refineries and petrochemicals, which will generate millions of jobs and lead to increased prosperity for our people (FRN, f). The government also argued tha deregulation has worked and yielded positive results in the telecommunication industry. There fore as it worked in the telecommunication sector where over one million direct and indirect jobs have been created as a result of its deregulation, so also deregulation of the Nigerian oil sector will help create jobs in the country (FGN,a). This claim of federal government is true to certain extent because deregulation of the telecommunication industry in the country has led to coming or emergence of many telecommunication companies in Nigeria. Which

include, MTN, Glo, Etisalat, Airtel, etc. And these companies provides jobs to many Nigerians, it is also worthy to note that these telecommunication companies apart from providing job opportunities to many jobless Nigerian citizens they also employ the services of some expertise/professionals on contract (part time). This also gives some workers additional income which helps in improving their living conditions.

While Economic Nationalism School of thought, one of the advocates of theories of international political economy argues that the core of economic nationalism is the belief that the state should use its economic strength to further national interests. By extension, economic nationalists also advocate using a state's power to build its economic strength. Epitomizing this view, the first US Secretary of the treasury, Alexander Hamilton, argued that "the interference and aid of [the US] government are indispensable" to protect American industry and to build US economic strength (Balaam and Veseth, 1996:23, in Rourke, 2004:374).

Rourke further argued that Economic nationalists are realists who believe that the conflict characterizes international economic relations and that the international economy is a zero-sum game in which one side gain only if another loses....From the economic nationalist perspective, political goals should govern economic policy because the aim is to maximize state power in order to secure state interests (Rourke, 2004:374-375) From this perspective Rourke theorized that:

"Economic nationalists are suspicious of economic interdependence on the grounds that it undermines state sovereignty and weakens the national economic strength. Economic nationalist would prefer that their perspective countries use trade barriers, economic

subsidies, and other policies to protect national Industries, especially those with military value.” Rourke (2004:376)

Another theoretical approach to international political economy (IPE) is economic internationalism. This approach is often also associated with such terms as capitalism, laissez-fair, economic liberalism, and free trade. Economic internationalists are liberals. They believe that “international economic relations should and can be conducted cooperatively because, because in their own view, the international economy is a non-zero-sum game in which prosperity is available to all. Therefore economic internationalists in contrast to economic nationalists oppose tariff barriers, domestic subsidies, sanctions (regulations) and any other economic tool that distorts the freeflow of trade and investment capital (Rourke, 2004:376).

In 1980s, economists dealing with poorer nations began to recommend, with increasing instance, development strategies based on market oriented reforms that included as fundamental components the reduction of trade barriers and the opening of international trade to foreign competition (Edward, 1993, in Aliyu,2001:14).

Ndulu et'al (1994), observed that views of most writers converged on the fact that reduce barriers to international exchange promote growth of world trade and income generally. This according to him was atleast evidenced by the strong association between reduction in such barriers and growth in trade since the last world war, (Tanzi, 1993, in Aliyu, 2001:17). In line with the above Keynes (1929) stated that “The opening of foreign trade more often than not works a sort of industrial revolution in a country whose resources were previously under developed”(Aliyu,2001:12).

While as mentioned earlier some scholars are with the view that deregulation and free trade policy could be detrimental and inimical to domestic (national) economy. Hence, it is stated that, in many transition economies, there has been a tendency to experience dramatic inflation- sometimes hyper inflation-once their economies have been opened up and policies liberalized (Drabek et'al, 1994) this partly reflected the sharp disequilibrium and 'inflationary pressure....once prices were liberalized and markets deregulated (Drabek & Laird, in King, 2000:192)

According to dependency theorists, foreign investment in developing countries by Multi National Corporations (MNCs) does much more harm than good. For example MNCs take more money out of countries in the form of repatriated profits than they put in to them. (Ray and Kaarbo 2008:390) Dependency theorists further argued that MNCs co-opt the leadership and elites of poor countries, bribing them, in, effect to accept foreign investment that benefits those leaders and a small elite but is detrimental to the country as a whole (Ray and Kaarbo,2008:391). It is in record that "from 1944 the TUC (labour union) demands and goals expanded to include the nationalization of the mining and other sensitive sectors of the economy, the introduction of mass health delivery system, mass education, pensions and indiginisation of both managements of companies and economy" (Otobo, 1995:22). Otobo further argued that labour's direct political activities (participation) were a check against some excesses of Nigerian politicians in the 1950s and 1960s-a statement that would probably be as true today (1995:32).

Indeed scholars and policy makers differ in views and opinions towards strategies and approaches to socio-economic development, it is on this ground that Beckman and

Sachikonye posits that, programmatic differences of ideology and macro-economic policy contribute importantly to unions' political identification (participation) and bring them into confrontation with international financial institutions and development strategies that have their own agenda and views as appropriate policy framework. [Thus] unions are commonly seen as stumbling block to international strategies of privatization and neo-liberal reforms of trade and property rights (Beckman, Buhlungu and Sachikonye, 2010:3).

Though the study of this kind can hardly be all encompassing, yet attempt is made to consult and review wide range of literature on labour movement and trade unionism in Nigeria, having it in mind that the scope of the study is 1999-2014. The ultimate reason for doing this is to provide the basis and moral ground for NLC's views, stand and position in relation to the government policy of deregulation of the oil sector in Nigeria. As Beckman and Lukman argued that since the return to the civil rule in 1999 there have been repeated and perpetual confrontations between the NLC and the government especially over the price of petroleum products. On each occasion labour has been able to draw on wide popular support. Its campaigns have been met with state violence and the government has sought to undercut its political role through labour legislation. In 1999 the new labour leadership seemed committed to asserting its claim to re-establish the NLC as a leading force of economic, social and political transformation. Hence, the campaigns against the attempts by the federal government to deregulate the national petroleum market, allowing for a drastic increase in the prices of local petroleum products that are central in the domestic economy which could further lead to

deterioration of living condition of workers(Beckman, Buhlungu and Sschikonye, 2010:59-61).

2.2 THEORETICAL FRAME WORK

One of the statutory functions of government of any country (especially developing countries) is to coordinate and harness the resources of the nation towards socio-economic development of the society through particular guided policy or programme. This important function led to the emergence of the discipline of Development Economics. “Which is a branch of economics which deals with the economic aspects of the development process in low income countries”(Igwe,2012:34). Thus the goal of development economics is to identify the cultural, political, economic and institutional mechanisms, both internal and external impeding (retarding) economic development in order to modify them in such a manner to bring about progress(Igwe, 2012:35). It is in this regard that Statesmen, and scholars come up with different policies, programmes, strategies and theories through which socio-economic development can be achieved.

For the purpose of this study Neoliberalism theory is adopted as a guiding theory.

The historical origin of neo-liberalism could be traced or linked to the classical economic thought, especially the work of Adam Smith “The Wealth of Nations” (1776), which established the intellectual foundation of capitalism. Smith was a strong believer and advocate of private ownership (capitalism) who theorised that “government intervention in the market (economy) was more likely to hinder than to promote the public good”. Smith argued that, free competitive market lead to economic growth and prosperity of the

society. According to him “the profit motive also caused the producers to adopt the most efficient production techniques in order to lower costs”. Thus, “competition caused prices to fall and wages to rise”(Encyclopedia Americana, vol.17, 2000:611). John Rapley argued that, “in addition to the liberalisation of the market for primary products, neo-classical theory has advocated financial liberalisation and labour market deregulation (Burgess and Stoneman, 1994:501). Ademola Babalola opined that contemporary neoliberalism development is traced to the international economic order established towards the end of World War II in Breton Woods. Neoliberal economic policy is associated with three important economic structural changes. These are:

1. *The internationalisation of trade and finance,*
2. *The increasing power of international corporations and*
3. *The enhanced role of international economic institutions, like the international monetary fund (IMF), the World Bank, and the World Trade Organisation (WTO)*
(Ashafa, 2010:504).

The word Neoliberalism was coined in 1930s by the German economist Alexander Rustow to describe the advance of “new” and revitalised liberal ideas that were hostile to the kind of state intervention and collectivism that had been so dominant in the first part of 20th century. (Scholte and Robertson, Vol.3, 2007:865).

Neoliberalism is an ideology whose key principles are free market, individualism, private property, constitutional order and the minimal state. As political and economic ideology neoliberalism manifested itself in a number of different ways since the 1970s, reshaping national economic policy agendas in many countries. Following the collapse of communist

regimes in eastern Europe and Soviet Union in the early 1990s, neoliberalism reigned as the dominant ideology for the management of the global economy and the construction of new world order. Hence, “the term neoliberalism has subsequently become synonymous with a particular interpretation of globalization and a particular set of policies for global governance” (Scholte&Robertson, 2007, Vol.3:865). An Australian economist Friedrich Von Hayek opined that individual freedom and progress could be guaranteed only by participation in market society. However Hayek did not dismiss the role of the state in a market society. Rather, he envisioned important responsibilities for a non interventionist state. In Hayeks’s market order the state has to be strong but minimal. It had to be a constitutional state capable of enforcing property rights, correcting markets deficiencies, providing certain public goods and guaranteeing individual liberty. Thus,

Neoliberalism in Britain and America emphasized the need for two institutions: the free economy and the strong state... This entailed the introduction of policy prescriptions that were compatible with the free market principles such as monetarism, privatization, deregulation, and the curbing of free trade union power, overseen by a strong but minimal state capable of correcting market failures and maintaining law and order (Scholte and Robertson, 2007:865).

The above views confirm that even among the theorists of neoliberalism some recognised the role of state in socio-economic progress of society by emphasising the need for a constitutional and strong state capable of correcting markets deficiencies and failure and above all providing certain public goods and maintenance of law and order. It is in view of this that, Ha-Joon Chang concludes that market itself is a political construct, and therefore a full de-politisation of the market (economy) is not only an impossibility, but has a dangerous anti-democratic undertone. The explicit point here is that ‘market itself is

a political construct' and therefore the neoliberal proposal for its de-politisation is at best self contradictory and at worst dishonest (Chang,2001:12&13). According to Boas and Gans-morse, "the term neoliberalism refers to economic reform policies such as eliminating price controls, deregulating capital market, lowering trade barriers and reducing state influence on the economy especially by privatization and fiscal austerity"(Wikipedia, on line).

Neoliberalism urges the removal of all statutory encumbrances on global transactions with measures of liberalisation, deregulation, and privatisation....global free markets will generate solutions to problems such as poverty, environmental damage, and labour standards, without any need for interventions by public governance agencies. (Scholte & Robertson Vol.2, 2007:531).A point of reference here is that when Nigerian government deregulates its telecommunication sector large coverage and efficiency is achieved and as such "Nigerians now pay less for telephone services as opposed to the initial (past) high prices because of competition" (FGN,a). In addition, the private telecommunication companies-MTN, Glo, Airtel, Etisalat etc provides several job opportunities to Nigerians.

In summary, the positions of the neoliberal orthodoxy, which constitutes the major premise of market reforms is the provision and delivery of social welfare services,suggests"a general reductions in the state financial commitment to the provision and delivery of social welfare services and encouragement of private finance and delivery of social welfare services". Adejumobi, inAina, Chachage and Yao, (2004:36). It is unarguable fact that the main theme of neoliberal theory centred around elimination and removal or lowering trade barriers and reducing state influence on the economy. In other

words neoliberalists are with the view that market (economy) and politics should be separated and functioned independently of each other. But this idea is criticised by scholars as Ha-Joon Chang who argued that there are practically no prices in reality which are not subject to “political” influences, including those that are perceived as such even by many neoliberals. To begin with, two critical prices that affect almost every sector-wages and interest rates-are politically determined to a very large degree. Thus he concludes that market itself is a ‘political construct’.

CHAPTER THREE

HISTORICAL BACKGROUND OF THE STUDY

3.1 GROWTH AND DEVELOPMENT OF LABOUR UNIONS AND TRADE UNIONISM IN NIGERIA

It is something difficult if not impossible to establish the origin of labour movement and trade unionism in Nigeria. Some scholars are with the view that labour movement and trade unionism in Nigeria is older than Nigerian state. For example Dafe Ootobo writes “that the growth of industrial capitalism and spread of wage employment led to the growth of trade unions. Therefore the rise and development of capitalism in Nigeria accounts for the origins of trade unions here (Nigeria)”. He further argued that, capitalist activities existed in the area later called Nigeria long before it was colonized. That is to say that many indigenous and foreign companies operated in Nigeria, right from the time of Trans-Atlantic trade in human cargo or slaves and other items before Colonel (later Lord) Lugard and his boys took formal control on behalf of Britain as from January, 1900. And that some trade unions existed and functioned here before Nigeria was colonized by Britain (Ootobo, 1995:9&10). Fashina also confirmed that, in 1897, a three-day work stoppage took place in Lagos among public workers employees to protest the change in working hours. In 1905, in Lagos an association of clerks in the civil service was formed, followed by an association of clerks in commercial establishments. But the first (formal) trade union, ‘The Nigerian Civil Service Union’ was inaugurated on August 19, 1912 (Fashina, 2009:38). Therefore, the three day work stoppage of 1897, and the emergence of Clerks Association and Nigerian Civil Service Union in 1905 and 1912

respectively, before the amalgamation of Southern and Northern Protectorates in 1914, shows that labour movement/ trade unionism is older than Nigerian state(Lukman,2004:8).

It is evident that most of the literature on trade unionism linked it to the colonial era and situations. This is because the dominant view held by scholars, analysts and labour union leaders is that trade unions like other voluntary and revolutionary organisations such as political parties were products of colonial injustice (Anyaele,2003:144).

Labour movement and Trade unionism has a long evolutionary history in Nigeria. For whatever reasons or circumstances the fact remains that Labour/trade union and unionism is a product of perpetual struggle, rivalry and persistent grievances between the employers of labour and the employees or the capitalists and the workers.

Most of the scholars agreed that the activities and attitudes of European capitalists and their colonial official collaborators in Africa, that is discrimination and other irrational racial justification for dealing unjustly with the African workers contributed immensely to the growth and development of labour movement and trade unionism in Nigeria. Thus the colonial “racist theory that the black man was inferior led to the conclusion that he deserved lower wages”. The Nigerian coal miners at Enugu earned 1/-per day for working underground and 0/9d per day for jobs on the surface. Such a miserable wage could be beyond the comprehension of a Scottish or German coal miner who could virtually earn in an hour what the Enugu miner was paid for a six-day week. “In Africa Europeans offered the lowest possible wages and relied on legislations backed by force(Rodney, 1972:178 and 179).

In all colonial territories, when African workers realised the necessity for Trade Union solidarity, numerous obstacles were placed in their path by the colonial regimes (Rodney, 1972:178). The Iva Valley shooting incident of November 18, 1949, -the police killing of twenty-one defenceless miners on strike and the wounding of fifty-one others, was typical example (Ananaba, 1969:98).

It is believed that the imperial and colonial (capitalist) policies of political domination, economic exploitation, social subjugation, racial discrimination and dehumanisation contributed immensely to the emergence and development of labour/trade unions in Africa and Nigeria in particular. According to Sunmonu, in Nigeria, trade unionism began in 1912 through the formation of a trade union by workers of the colonial civil service. The colour discrimination in the colonial civil service, low wages and poor conditions of service were the main reasons for the formation of the civil servants Association, ... in those early days of colonialism, no Nigerian, however qualified could rise to a 'senior service' position in the colonial administration. Even those who qualified in medicine with their white counterparts in the same universities could rise only to the post of Assistant medical officer. It was due to the pioneer Nigerian Trade unionist of those days that some improvements in the conditions of service were effected (Adewumi, 1997:3-4).

On February, 4th 1919, the Nigerian Railway Native staff union was launched, the Nigerian Mechanics union was launched on 13th September 1919. (Fashina, 2009:38). The nature and manner in which colonial regime dealt with payment and non-payment of wages, and bonuses, and discrimination in condition of employment in favour of

Europeans,also led to the adoption of more effective and aggressive tactics by aggrieved Nigerian workers. In their struggle against employers and the state, Nigerian workers soon found out they needed larger organisations for more effective co-ordination of efforts. By 1940 some federations of the technical unions had emerged, culminating in the founding of the Trade Union Congress (TUC) (Otobo, 1995:20).

Furthermore the Nigerian Railway workers union was formed by workers in the mechanical workshop in 1932 (with Michael Imoudu as president) (Fashina O, 2009:39). The Railway Management had posted a notice announcing the date of commencement of the hourly system of calculating wages. The day previous to the commencing day a young daring apprentice tuner, Michael Athokhamien Ominus Imoudu, read the notice and removed it from the notice board. At the close of work he summoned a general meeting of workers and told them that the hourly system was a device by the management to get cheap labour. He went on, “the per hour system will be started tomorrow according to the notice. We cannot write now, the only thing to stop work tomorrow and interview the Chief Mechanical Engineer”. The crowd yelled approval, and the following day the strike began. Consequently, the government introduced another law in 1942. This law was called the General Defense Regulations of 1942. The law banned strikes and lockout during World War II. Workers in Nigeria did not receive the warning of strike and lockout favourably especially at the time when inflation led to increases in price between 50 and 70 percent (Ujo,2008:57).

Prior to the passing of the trade union law in 1938, there were in Nigeria, only three trade unions of importance, they were the Nigerian Civil Service Union (inaugurated in 1912), the Railway Workers Union and the Nigerian Teachers Union (both founded in 1931). By

1944, the number of registered unions had risen considerably. According to the Ministry of Labour Annual Report, 1964-65 and Quarterly Review of March, 1966 “there were not less than 600 Trade Unions in existence with a total membership of about 500,000 representing about 50% of all the wage and salary earners in the country. In fact within this period, many more had been registered”. (Hashim, 2011:90-91). The grievances of the workers made them to come together to organise the first central labour organisation, which was called the Trade Union Congress of Nigeria (Ujo, 2008:57).

The first central labour organisation, the Trades Union Congress (TUC) was formed in 1943. Successor central trade unions were the Nigeria Labour Congress (1950), the All Nigeria Trade Union Federation (ANTUF 1953) the second Trade Union Congress (1959) and the United Labour Congress of Nigeria (ULCN) (Fashina, 2009:39&40).

The 1945 General strike was a land mark in working class struggles for a better standard of living. The strike was over the workers’ demands for a minimum wage of 2s 6d and a 50% increase in the COST OF LIVING ALLOWANCE (COLA) (Fashina, 2009:40). This because “the cost-of living allowance granted to most workers in 1942 was not considered adequate and as the cost of living continued to mount unrest kept pace. By 1942 workers claimed that the cost of living had gone up to 200 percent with no corresponding relief in wages” (Coleman, 1986:255, in Ujo, 2008:56) Although the leadership was split over strategy, the strike took place from June 22 to August 4. Negotiation following the strike led to concessions won by the working class. Therefore one can conclude that the agitations and strikes of the labour unions in the first place were both political and economic towards workers emancipation, thus “they challenged the colonial government’s power to force upon workers conditions of work, and wages unacceptable to workers”. Later the TUC became split “among the reasons for the split

were-leadership conflicts, political differences, allegations of weakness, against the leadership, and introduction of negative use of ethnic differences. The introduction of “tribalism” was a set-back for working class struggles” (Fasina, 2009:40&41).

Among successor Central Trade Unions were-the Nigeria Labour Congress (1950), the All Nigeria Trade Union Federation (ANTUF, 1953), the second Trade Congress (1959), and the United Labour Congress of Nigeria (ULCN)

In May 1963 the United Labour Congress (ULC) congress adopted a resolution authorising the central executive to press for a general revision on wages and salaries. When there was no response from the government, in September, 1963 the ULC called for another meeting and set up a Joint Action Committee (commonly referred to as JAC) to prosecute the wage demand second was to organised a General Strike on September, 27, 1963 if the demand was not made within that deadline. No effort was made by the government to concede the demand. So on a day’s lightening strike took place on September 27, 1963. To contain the strike Government appointed a six-man commission of enquiry under the leadership of Justice Adeyinka Morgan with the following terms of reference:

- (i) To investigate the existing wage structure, remuneration and conditions of service in wage-earning employments in the country and make recommendations concerning a suitable new structure, as well as adequate machinery for a wages review on a continuing basis;
- (ii) (a) a general upward revision of salaries and wages of junior employees in both government and private establishments;

- (b) the abolition of the daily-wage system; and
- (c) the introduction of a national minimum wage; and to make recommendations (Ananaba, 1969:237 & 239).

The Morgan Commission began its work in October, 1963 and ended in April, 1964. But for some unexplained reasons the Report of the Commission was not published as expected by the government. Hence the labour movement decided to organise and call for a General Strike on 1st June 1964 if before that day Government did not release the Morgan Reports. The labour also decided to stage a demonstration against the Government's handling of the Report and the continued ban on public meetings and demonstrations in the Federal Territory of Lagos. The organised workers demonstration resulted to a serious clash with the Nigerian police (state agents) in Lagos. "in the scuffle which ensued, Abiodun (demonstration leader) received a fractured arm and a battered head, several other labour leaders received injuries, while some were removed to the hospital unconscious suffering the effects of tear gas and severe beating by the police" (Adebola in Ananaba, 1969:240)

From his sick bed Adebola spoke the following day to the workers and the nation. He said the general strike planned by workers would begin the day after and continue until their demands had been met. True to his words the strike began in Lagos as planned, and hit all Government offices and industrial undertakings, except those on the essential service list...By the next day practically all the industrial life of the nation had come to a standstill. The Government tried on 3rd June to contain the strike by releasing the Morgan

report and its white paper on the report. Some of the commissions' recommendations were;

- (i) Legislation should be introduced to ensure that each employer publishes his conditions of employment and workers' entitlements and makes copies available to workers;
- (ii) A national Joint Industrial Council for each major industry or group of similar industries or employments should be established. Members should be appointed by the Federal Ministry of Labour after consultation with both sides of industry. The council should assume the status of Wages Boards, and all agreements negotiated should be submitted to the Federal Ministry of Labour for registration under the Act. It thus becomes legally enforceable.
- (iii) A National Wages Advisory Council should be established to observe, co-ordinate, and advise all aspects of wages policy.
- (iv) An Industrial Court should be set up to adjudicate on industrial disputes.
- (v) The Trade Disputes (Arbitration and Inquiry) Act should be amended to make provision for compulsory arbitration.
- (vi) Labour legislation should be reviewed so as to bring it up to date and codify it in one Labour and Industrial Relation Act.
- (vii) The Trade Union Act should be amended to prevent employer from interfering unduly with Trade Unions.

On many considerations, the Morgan Report is a revolutionary document-not because it undertook to do some of those things that it ought not to have done, but because some of

the members of the commission had the courage to attack certain injustices which, all along, had rankled in the mind of all decent people, but which men of influence for varying reasons had either failed to pinpoint or struggled to see them removed (see Ananaba, 1969:140-145). The Government made no serious attempt to come to terms with JAC leaders until attempts to break the strike by threats and victimization of strikers had failed. As the strike entered its fifth day the Prime Minister ordered workers back to work within 48 hours and warned them that failure to comply would be met with summary dismissal. Striking workers merely treated the warning as a joke. JAC leaders retorted in a strike bulletin: '*The strike continues*'. A mass meeting later adopted a resolution giving the Prime Minister a 48-hour ultimatum to resign his position. In Port Harcourt, Aba, Enugu, and several other towns in Eastern Nigeria, politicians as well as businessmen demonstrated their sympathy with workers by carrying palm fronds-an action which soon became a recognised sign of sympathy with the strikers. Those who failed to carry them were marked as traitors to the common cause and molested or ostracized. It was in the midst of this deteriorating situation that the Government made apposite move to end the strike. On June 7 and 8, an exploratory talk was held between JAC and representatives of the Federal Government. While the talks were going on it was reported that the Government had issued queries to some 10,000 civil servants in Lagos. This almost broke down the talks, but wise counsel eventually prevailed. On Saturday, June 13, it was announced that the giant strike had been called off on the following terms:

- (i) That the strikers would not be victimized in any way;

- (ii) That the dismissal and warning notices already served on strikers would be withdrawn;
- (iii) That the strikers would not be penalised for the period of their absence from duty on account of the strike, which period would be treated as leave with full pay and without prejudice to leave already earned;
- (iv) That a negotiating body on which the Governments of the Federal Republic of Nigeria, the private employers and the Joint Action Committee of Nigerian trade unions would be represented, would be set up immediately and commence negotiations on Monday, June 15, 1964 at 5 p.m.;
- (v) That the negotiations would be conducted on the basis of the Morgan Commission Report, etc.

The creation of many rival centres brought disunity among Nigerian workers can hardly be disputed. Hence Ananaba posits that considerable damage was done to the development of big unions in Nigeria by the Macpherson constitution of 1951, which introduced a tripartite division of the country, and created Regional Governments with exclusive responsibilities for certain subjects. The effect on the trade union movement was tragic. Borrowing a leaf from the action of the politicians, employees of the Regional Governments and the agencies they created began to think of their interests in terms of Regions and not of the nation as a whole. The spirit of oneness which a unitary system of government had fostered, and a process of proliferation began. The district organisations of some national unions of public employees severed connections with their parent bodies

and constituted themselves into Regional Unions, whose memberships were limited either to a department or a section of a department of public employees of that region.

The emergence of Regional Governments engendered healthy rivalries and sometimes senseless ones also. Not infrequently the various governments tended to substitute regional for national interests. In spite of its name National Association of Local Government Employees (NALGE) which was deregistered in 1966 for violation of the Trade Union Act, was not a national organisation-it was a regional body. Its constitution specifically limited membership of the Association to local government employees in Eastern Nigeria. In 1957, Native Authority employees in North followed the example of their colleagues in the East in founding the Northern Native Administration Staff Association. Their action seems, however, to have been motivated by political consideration rather than by a desire to get a more serviceable organisation, which was the basic consideration in founding the NULGE. After the promulgation in 1954 of the Northernisation policy by the Government of Northern Nigeria, a consistent effort was made by the ruling party and other influences in Northern Nigeria to create a 'Northern brand' of every organised group. By the middle 1960s, there are such organisations as the Northern Teachers Association, Northern Civil Service Union, Northern PWD Workers Union, Northern Mine Workers Union and Northern Federation of Labour. A report in 1965 on the trade union situation in Northern Nigeria says: The Government directly or indirectly has employed all sorts of means to see that the ULC in particular in the North does not exist. The Northern Federation of Labour are given financial support which makes them very active and mobile, they are able to go from town to town preaching to

workers that Southerners are trying to dominate the North and that unless workers stage war against the Southerners there will be nothing good for Northerners (Ananaba, 1969:125-127). It was reported that Sir Ahmadu Bello the sardauna of sokoto the then Premier of Northern Region “expressed concern that the leadership of the two unions-the Nigerian Mine Workers’ Union and the Amalgamated Tin Mines of Nigeria African Workers Union-was in the hands of Southerners, particularly the Igbos of the East (Ananaba, 1969:127). In addition the Northern political leadership confirmed that one of the joint chairmen of JAC is a board member of two government corporations, and a special member of the Western House of Chiefs. Hence, the national leadership for the trade unions tends to be southern, and based in Lagos or Ibadan. During the 1964 General strike, the style of the Sardauna (premier of Northern Region) with regard to the national strike is to see it as a political confrontation and he took a hard line. With regard to the Northern strike he saw it as a quarrel within the family, and partly through force of personality, brings together the relevant parties who can settle the dispute. He regards himself as not being on the side of the workers or of management, but of “the north” i.e. concerned with the welfare of the entire community. The fact that many of the national unions in the north are composed largely of southern workers and leaders, further contributes to the potentials for confrontation in the industrial sector (parden, 1986:518)

The two registered unions of mine workers, the Nigerian Mine Workers’ Union and the African Mine Workers’ Union (ATMN), Partrick Okoye and Emanuel Okei Achamba, General Secretaries respectively of the two unions, were well known Ibos. The impression had been created among most Northerners and among people of other tribes

in the country that the Ibos could never have any other political affiliation than to the NCNC because of their loyalty to their tribe and to Dr. Azikiwe. In addition, both Okoye and Okei-Achamba were also well-known Zikists. Okei-Achamba had earlier been jailed at Minna because of his activities in the Zikist movement. Because of these considerations a panacea was found in founding the Northern Mine Workers' Union registered in August, 1954.(Ananaba, 1969:128).

To further confirm the arbitrary of colonial officials and other expatriates employers of labour in the country something happened in 1952, when an expatriate officer Mr Morgan slapped his subordinate Nigerian worker John Igbudu, who was old enough to be Morgan's father this led to the founding of another regional union in Eastern Nigeria, called the Eastern Nigeria Development Corporation and Allied Workers' Union (See Ananaba, 1969:129-130).

Regional unionism also developed in Western Nigeria. A move in this direction started in 1952, when certain employees of the Western Region Production Development Board met agricultural workers at a palm wine shed in Moor plantation at Ibadan and told pathetic stories about their plight. Mechanics worked several hours overtime and were not paid for it, Drivers went on long-distance tours and received no allowances. At the time of the fateful meeting, Moor plantation workers had been organised, and their union had won for them several concessions including what their friend was complaining. After listening to their story one of the Agricultural workers made a statement which later became food for thought. 'My friends the answer is simple. We had similar, if not worse, problems and we did something which I will now recommend to you. We formed a union. All of us

joined and supported it that union helped us to solve our problems and has been helping us ever since. Go and do the same thing and you will see the result. The word formed the propelling force behind the formation of what was then known as the Western Region Production Development Board African Workers' Union registered in October 1956 (Ananaba,1969:130-131)The experience of delegates to the six Annual Delegates' Conference of the Nigerian Union of Local Authority Staff (NULAS) in 1959 was one of the reasons for the split of labour movement in Nigeria. Delegates had come all the way from the North, East and West to attend the conference at Ibadan. Apart from the fact that no arrangement was made to receive them and no accommodation was reserved for them, they waited for several hours at Mapo Hall, where the conference was scheduled to take place, without seeing the Secretary, who had convened the conference. Where was he? He was attending an executive meeting of a political party. In other words, the party meeting was more important to him than the conference of the union from which he earned a living. It was no wonder, therefore, that a few months later the Eastern District organisation of the union and the Eastern District of the Township Workers' Union, Eastern and Western provinces, severed connections with their counterparts in the west and formed a new union known as the Nigerian Association of Local Government Employees (NALGE) In spite of its name, the NALGE, which was deregistered in 1966 for violation of the Trade Union Act, was not a national organisation, it was a regional body. Its constitution specifically limited membership of the Association to Local Government employees in Eastern Nigeria. Hence the emergence of NALGE meant that the NULAS had become more or less a western regional organisation. These unfortunate divisions still characterised Nigerian Labour Union, in January, 2012 The NLC called for

demonstration against the government move to remove oil subsidy, the call was answered because there was mass turnout throughout the country except in some parts of southern Nigeria particularly the South-South,(where president come) possibly due to sectional and ethno-religious sentiments which characterised the Nigerian polity and its politics.

Most of Nigerian politicians and political parties lacked ideological principles, as a result of this they resorted to making alliances with influential individuals. Unions therefore, rightly see themselves as more credible representatives of popular democratic interests and they aspired to translate this into real influence on the political process. Beckman and Lukman further posit that different avenues are explored in an effort to make a political impact, including direct lobbying, participation in political alliances, the formation of union based political parties, and mobilisation of wider coalitions in civil society.

Historically, international institutions, the international labour organisation (ILO) in particular, take an active part in producing norms that commit governments to certain standards of labour rights. The ILO is a tripartite organ which provides an avenue and arena for interactions between different governments, employers and employees. And soon trade union rivalries at the international level tend to reproduce themselves at the level of national trade union politics (Beckman, Buhlungu and Sachikonye, 2010:4).

The affiliations with international labour organisations (ILO) and the consequent creation of many rival labour centres brought disunity among Nigerian workers can hardly be disputed...It made it possible for foreign interests and successive federal and regional/state governments to exploit attendant divisions to their own ends. The federal

government for most part recognised one central organisation that almost unfailingly supported government's position on labour matters and was used to break the ranks of labour during widespread strikes and opposition against unpopular official policy. Despite the absence of legislation regulating mergers and federations of unions till 1973, critics seemed to have overlooked the fact that unions had to be recognised and be registered by the Department of Labour (subsequently Federal Ministry of Labour) for them to legally exist and so function (Otobo, 1995:29-31)

The Federal Government through the Trade Unions (Central Labour Organisation) (Special provision) Decree No.44 of 1976, among other things cancelled the registration of the existing four labour organisations and placed an embargo on the registrations of the new NLC. The government went ahead and appointed an Administrator of trade unions who was charged with the (responsibility of) formation of a single central trade union, re-organisation of various industrial unions which were all to affiliate to the central body. This was the beginning of an incessant intervention of government in labour matters in Nigeria. This government re-organisation culminated to the birth of the 3rd NLC in Ibadan in 1978 even though the process had begun as far back as 1976. This was closely followed with enactment of the Trade Unions (Amendment) Decree No.22 of 1978 which dissolved the second NLC, recognized only one central trade union organisation as well as 70 unions including 42 industrial unions of which were to affiliate to the NLC (Tanko, 1989:9) (Bingel in Adewumi, 1997:32). The federal government appointed Michael Abiodun and his team that reorganized the nearly a thousand trade unions into 42 so-

called industrial unions for so-called junior workers, and 28 other organisations for senior staff and professionals (Otobo,1995:15).

In 1978, the Nigeria Labour Congress was formed and inaugurated, and only 42 industrial unions specified by the Decree were deemed to be affiliates all other unions were prohibited from operating (Beckman, 1991:4).

Thus, the Trade Union (Amendment) Decree of 1978, clearly provides that

The registrar of Trade Unions, a government body shall register the Nigeria Labour Congress as the only central Labour Organisation. The Decree further states that the certificates of registration of all existing trade unions registered or deemed to be registered are hereby cancelled and that ...appeal against cancellation shall not apply. It also contains (all) the list of registered and recognised trade unions (FRN,b, 1978).

The coming in to force of 1978 Trade Union Decree marked the end of real independent workers union in Nigeria. In 1989, the trade unions were again restructured to become 29 affiliate unions to the Nigeria labour congress. Under Abacha's regime, the trade union movement intervened in politics by demanding the de-annulment of the presidential election of 1993. The regime dissolved the executive council of NUPENG, PENGASSAN, and the NLC, (Decree 9and10). Jailed Kokori and Dabibi and imposed a Sole Administrator, Ason Bur, on the NLC (Fashina, 2009:50). However, the Obasanjo administration in 2004 began to work on labour act to again pave way for multiple centers (NUPENG 2006). Fashina revealed that obasanjo's regime made several attempts to weaken the Nigeria Labour Congress. The Trade union (Amendment) Act of 2005 allowed the registration of other Federation of Trade Unions (apart from the NLC). The government's aim was actually to engineer other centres as alternatives to the NLC.

Much frustrated by the popular strikes and protests against the deregulation of the oil industry and the politics of oil price increases, Obasanjo's government issued the Trade Union (Amendment) Act 2005 to allow only strikes that constitutes a "dispute of right", i.e matters concerning negotiation, application or interpretation of a contract of employment, collective bargaining or contract. In other words, strikes on political and economic matters were disallowed by the law. This was contrary of the ILO Freedom of Association Committee's position. Fashina, (2009:52). And eventually trade union (Amendment) Act of 2005, was enacted by the National Assembly and assented by the President Olusegun Obasanjo on 30th March, 2005. [See Trade Union (Amendment) Act 2005].

In conclusion one can say that the history of labour union and unionism in Nigeria is a history of struggle and agitation between workers and political authorities and other employers of labour all in attempts by workers to create a viable labour union in the country. Secondly the history of labour movement and unionism in Nigeria was and is still characterised with internal crises within the labour itself due to political, ideological, ethnic and sectional differences among Nigerian workers. And this constitutes a great challenge to the Nigeria Labour Congress.

CHAPTER FOUR

FORCES INFLUENCING DEREGULATION OF THE NIGERIAN OIL SECTOR:

THE STAND OF NLC

4.0 INTRODUCTION

This chapter provides an analysis of some major issues, trends, forces/factors and politics behind deregulation policy of the Nigerian oil sector, as well as stands and position of the Nigeria Labour Congress (NLC) on the issue.

The chapter is divided into four sections. Section I looks into the basic arguments for and against deregulation, section II discusses the external (foreign) forces and agencies that are driving or influencing the oil sector reform, section III discusses and examine the Nigerian state, its ruling elites and deregulation policy of the oil sector, lastly section IV focuses on the position and stand of NLC pertaining to deregulation policy of the oil sector in Nigeria.

4.1 Section I: General Argument.

Deregulation-the removal of governmental restrictions in business to encourage private sector is a central strategy and concern of neoliberal policy. The fundamental reason is that gain can be made on the expenditure side of the government by withdrawing subsidies on subsidised goods and services, and a deregulated economic sector can also contribute to the government revenue through taxation if the deregulated sector turn out to be successful and profitable.

Many state enterprises in developing and transition economies (like Nigeria) have experienced and enjoyed what Kornai referred to as “soft budget constraints”-that is unlimited access to subsidies and grants, soft credit system and preferential treatment in tax rates (Raiser, 1996). A soft budget constraint encourages managers to believe that the state would come to their rescue if ever they encountered difficulties. It reduces incentive to minimise costs (Bangura, 2000:15)

Nigerian state is endowed with petroleum resources, but exploration, extraction (drilling), allocation, distribution, and efficient management of this blessed resource become a serious and persistent problem in the country.

To overcome some of these problems, and in its effort to ensure equity and fairness in distribution and price rate of petroleum commodity all over the country, pricing and subsidy became an issue from 1st October, 1973 when Government introduced uniform pricing of petroleum products. The problem with implementation of uniform pricing was that it was more profitable to market petroleum products in some areas around the seaports and main supply sources such as refineries and few depots that existed, mainly in the southern parts of the country. The marketing companies were not willing to expand their facilities to the hinterland. Thus the farther away the area was from the supply point, the higher the prices of the products. In order to arrest the situation, in 1975 the Federal Government established Petroleum Equalisation Fund (PEF) with the aim of ensuring uniform pricing system throughout the country (FRN, 2000:45-46).

Secondly, under this present democratic dispensation, the Federal government argues that the fuel subsidies do not reach the intended beneficiaries, as subsidy administration in

Nigeria is highly characterised with inefficiency, leakages and corruption. The Federal Government insists that the subsidy regime in Nigeria in which fixed price is maintained irrespective of market realities has resulted into a huge unsustainable subsidy burden. Consequently, the Federal Government become desirous of discontinuing subsidies on prices of petroleum products because it poses a huge financial burden on government and diversion of resources away from potential investments in critical infrastructure. In 2011, the Federal Government published that the total projected fuel subsidy fund per annum is N 1.134 trillion based on average crude oil price of US\$ 90 dollar per barrel (FRN,f,2011:4-5).

These nagging and persistent problems (reasons), possibly with others informed the choice of implementation of neoliberal policy of deregulation of the oil sector in the country. Thus the federal government published that, “deregulation will promote efficiency in the production and supply of petroleum products as producers and marketers will be forced by competition to adopt the most effective means of producing and getting product to the end users” (FGN,b). One can easily understand that the government intention is to deregulate and liberalise the oil sector so as to enhance and encourage private participation development in the oil industry. But contrary the government’s view, NLC sees the state as an institution that promote national development and formulate economic policies that regulate or check foreign domination, protect domestic markets (economy) and in some cases play a vital role in distribution and redistribution of wealth in the society (Bangura,2000:1). Therefore state should be

seen as a central institution for distribution and redistribution of resources, protection of vulnerable ones and responding to the needs and aspirations of its citizens.

In addition the mode and pattern of deregulation policy discourse itself is problematic, as defining what constitute deregulated economy (free market economy). Also defining what counts as regulation (state intervention) is complex and controversial possibly due to the relative nature of the concepts. Thus, the same state action could be or has been considered as 'intervention' in one society but not in another which could be the same society at different points of time. For example, many environmental regulations (such as industrial/factory pollution and automobile emission) were widely criticised as unwarranted intrusions on business and personal freedom when they were first introduced in the advanced countries, but now these act of regulations are rarely or no longer regarded and considered as 'state intervention', because their citizens now consider and accord priority right to clean and safe environment over the right to industrial technology of production and possibly of consumption (Chang, 2001:4-5).

Another typical example is the issue of minimum wage, that Nigerian government is pursuing and moving toward deregulation policy- removal of government hand in the economy by allowing the market forces to determine the price of goods and services (possibly including the price of labour), contrary to this view and philosophy in determining the price of labour Nigerian government is at forefront and a strong actor in determining the price of labour in the country through its agencies such as Salary and Wages Commission and Ministry of Labour, Employment and Productivity.

Many classical thinkers when discussing political economy tend to give much emphasis to the market primacy neglecting other vital component issues and aspects that constitute normal functional market, such as security (peace and stability) and good governance. Considering the instability and general insecurity situation in Nigeria, particularly in the oil producing area (Niger-Delta region) investors hardly come to invest in such area where there is insecurity and instability. Hence, deregulation may likely face a setback. In view of this Bangura states that “There are governance issues that have not been satisfactorily resolved in a large number of low-income countries, which raises serious questions about their capacity to implement far-reaching state reforms” (2000:vi).

Another point related to the market situation is that market sentiment is or can also be affected by economic, social and political uncertainties around the globe. A typical example here is the Arab spring of 2011/12 (time of turmoil in the Middle East and North Africa) during the crises crude oil was sold at an average of \$107.85 per barrel (OPEC, 2011:24). But in the late 2014 the price has drastically fall down. This is a clear indication and testimony of market uncertainty. It is further confirmed that “past experiences have shown that a glut in the petroleum market translates to declining revenues of nations dependent on petroleum as main source of revenue. Consequently, such nations cannot meet public expectations in the delivery of socio-economic services in a sustainable manner” (Onwualu, 2010 in ACRM Magazine:24).

It is equally important to note that deregulation policy of the Nigerian oil sector is characterised with some inconsistencies or contradictions. Some groups, organisations and individuals opined that government should embark on deregulation and liberalisation

of the oil sector so as to enhance and encourage private participation and development of the sector. In view of this the Federal Government constituted Special Committee on the Review of Petroleum Products Supply and Distribution in the year 2000. The committee recommends that private individuals and private corporate body marketers should be encouraged to participate in the importation of petroleum products into the country, and “prices of the products should be based on the import parity, adjusted as:” “The difference in the current pump price and import parity should be narrowed through the intervention of the Petroleum Products and Price Regulatory Committee” (now Agency) (PPPRA)).

One can clearly notice the inconsistency and contradiction in the policy, because the principal aim of deregulation is removal of government intervention in the economy. But the same committee that recommended for deregulation of the oil sector, also recommended for ‘government intervention’ for price regulation through PPPRA. Another inconsistency or contradiction can be found in the double stand of one of the labour unions in the Nigerian oil industry, the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASAN), which expressed its support for the quick passage of the controversial Petroleum Industry Bill (PIB) into law, and the PIB serve as a catalyst and facilitator of deregulation of the oil industry in Nigeria. But the same PENGASAN also urged that the “government should empower and strengthen the regulatory agencies, particularly the Petroleum Products Pricing Regulatory Agency (PPPRA) and Department of Petroleum Resources (DPR) to enthrone standard and business ethics in the subsidy regime” (The Guardian, 24th November, 2015:35).

The Federal Government Special Committee on the review of petroleum products supply and distribution also recommends:

That government should start the process of the Pivatisation of Warri Refinery and Petrochemical Company (WRPC) and Kaduna Refinery and Petrochemical Company (KRPC) while it (government) retains Port Harcourt Refinery Company (PHRC) for strategic intervention (FGN, 2000:v).

The phrase strategic intervention shows that government intervention is not only necessary but also unavoidable in the political economy of the Nigerian oil industry, due to uncertainty of the oil market. It is in view of this that Scholte and Robertson (2007:300), concluded that even in advanced capitalist society where the “markets do create wealth, they (markets) lack the institutional capacity to redistribute it equitably so as to produce socially optimal and desirable outcomes” therefore, “citizens rights had to be embedded beyond the reach of markets in order to ensure that when markets overshoot or underperform, the state would be the coordinating mechanism for society.

That deregulation and subsidy withdrawal symbolises each other in this study therefore the two are synonymous as far as Nigeria Labour Congress is concerned, and considering the controversy surrounding the political economy discourse of fuel subsidy between the federal government on one hand and the NLC on the other hand, has drawn the attention of many scholars and analysts intent to find out whether or not government subsidy exists in the downstream of the Nigerian oil sector. Thus, according to Nwachukwu and Chike (2012) the opponents of removal of oil subsidy argue that the existence of oil subsidy is a fallacy, as government spokes person sought to justify that “government subsidy and hikes in petroleum prices have only benefited fraudulent government officials”. While the

proponents opined that the existence of fuel subsidy is a fact. They rely on multiple linear regression to test their hypothesis and the result suggests that there is a significant relationship between the fuel demand and fuel subsidy and therefore concludes that there is empirical evidence that fuel subsidy in Nigeria is a fact not a fallacy. Thus according to the Budget Office of the Federation (2012) between 2006 and August, 2011 total government expenditure on petroleum subsidy amounted to 3.7 billion Naira. However, Akinmutimi, (2011) put it at 115 billion Naira for the first quarter of 2011 alone (Sani and Kouhy, 2014:118).

Infact, for one to discuss whether a particular economy is deregulated or regulated, there is the need to consider certain situations, circumstances, and actual direct participants in the market and indeed certainly non direct participants. This is because there exist externalities in every market economy. Therefore, the crises (problems) associated with the Nigerian oil market and marketing being it national or international can be attributed to various factors and actors which include the Federal Government, segment of Nigerian elites and oil multinational corporations such as Shell and Chevron, etc.

Therefore the above argumentative analysis shows that establishing or proving whether a particular economy is deregulated or regulated is not an easy task.

4.2 Section II: Foreign influence and Deregulation of the Nigerian Oil Sector

Since oil is an international market commodity, this section will examine some foreign (global) forces and influences that are driving the oil sector reform in Nigeria such as the activities of international economic institutions/agencies, the influence of foreign

countries and multinational corporations (MNCs) and the trend of economic globalisation- (i.e globalisation of the oil economy). The spread of the oil global market which is significantly promoted by neoliberal economic policies contributes immensely to the government choice of embarking on deregulation of the oil sector in the country.

There have been concerted efforts by the governments of advanced economies, multinational corporations and international economic institutions and agencies aimed at reducing the influence of developing countries in their economic activities. They pursue this agenda by trying to influence and convince the developing countries to restructure the various components of their political and economic policies, and deregulation policy is one of such strategies being used as an instrument to achieve this goal.

Contemporary writers have given detailed analysis which shows that deregulation is a bourgeois neoimperial political and economic policy. This is because deregulation advocates for elimination of government's restrictions on trade and removal of trade barriers among nations in order to facilitate free movement of capital. Unlike during colonial period this time around "the exploitation of one nation by another is no longer based on colonial subordination but on gross inequalities inherent in their trade relations" (Ake, 1981). The technologically advanced countries of the world and their collaborators are in support of deregulation policy because they possessed the technical knowledge to tap and exploit the endowed natural/mineral resources in the developing countries since developing nations lack the technological knowhow, and the so-called advanced nations are not ready and willing to transfer the technological knowhow to the developing nations, instead they propagate and support the spread of deregulation policy world

widewhich will give them opportunity to participate and dominate the economic activities of the developing nations. “African economies became incoherent, incapable of autocentric growth, and dependent. The net effect of this was that the escape route of African economy from primary production was blocked”(Ake, 1981). In view of this one can equally conclude that the technological advancement and global internationalisation of the oil market contribute in the facilitation and ideological expansion of deregulation policy into the country, which could also lead to the foreign domination of the Nigerian oil economy.

It is a fact that Nigerian state was a colonial creation attending to the requests and requirements of foreign colonial imperialists. Hence, Onimode’s observation “that Nigerians economic and debt crisis is a product of the capitalist mode of production which colonialism impressed upon Nigeria” (Onimode, 1983:100, in Osiruemu, 2001:192). So it is even after the attainment of independence in 1960, because after independence Balewa’s government retained colonial laws that planted the seed of foreign domination of the Nigerian oil economy. For example the minerals ordinance of 1958, the Petroleum Profit Tax Ordinance of 1959 which gave over generous terms to oil companies operating in Nigeria, specifically the Shell-BP. The Petroleum Profit Tax Ordinance retained the 50:50 formula for sharing profit between Nigerian government and foreign oil companies. Between 1960 and 1966, 50% of all private investment in Nigeria was owned by British but less than 12% was owned by Nigerians. Less than 20 % public capital was owned by Nigeria and over 60 % of the total investment was foreign. Over 70% of the economy was dominated by trading and mining (Fashina, 2009:42-43).

After meeting with the two international oil companies (Nexon Mobil and Shell), concerning restructuring of the Nigerian oil sector, President Yar'Adua emphasised that, "I assure you that as we reform the national oil company, we will take into account the mutual interests of the international oil companies and that of the federal government the reform is meant to restructure our national economy with win-win situation for Nigeria and oil companies". The President further stressed that, "We will ensure mutual consultation, so that we can transform our national oil company without upsetting the relationship we have with our partners" (Adeniyi, 2011:48-49).

It is indisputable fact that deregulation is a neoliberal and imperial capitalist economic policy and ideology of IMF and World Bank, whose aim is to facilitate foreign exploitation of both human (labour) and material resources on large scale. It is against this background that Beckman and Sachikonye argued that, labour unions everywhere have been consistently suspicious or hostile to policies of neoliberalism, privatisation and deregulation (2010:11).

It is widely acknowledged that one of the prominent characteristic features of modern international political economy is the conscious encouragement of cross-border trade and investment through the activities of Multinational Corporations (MNCs) under the guise of deregulation and Foreign Direct Investment (FDI) policies. Thus Nigerian government sees these policies as alternative mechanism and strategy towards achieving sustainable development in the Nigerian oil sector. This is probably because foreign direct investment is seen as "amalgamation of capital, technology, marketing, and management". The IMF definition of Foreign Direct Investment can also be used as a

usefull tool of analysis for this study, according to IMF, foreign direct investment “is an investment that is made to acquire a lasting interest in an enterprise operating in an economy other than that of the investor, the investor’s purpose being to have an effective voice in the management of the enterprise (Akintoye,2010:36-37). The last sentence in the definition i.e “the investor’s purpose being to have an effective voice in the management of the enterprise” confirmed that deregulation and FDI could lead to foreign domination of the Nigerian economy particularly the oil sector and this is one of the main fear and contention of the Nigeria Labour Congress.

There are also critics of deregulation policy who offer exogenous claims, that is those who argued that deregulation could be inimical and threat to the nation’s security and sovereignty. For this reason, the critics of deregulation are suspicious of the policy on the ground that “it undermines the state sovereignty and weaken national economic strength. Economic nationalists would prefer that their respective countries use trade barriers, economic subsidies and other policies to protect national industries...” (Rourke, 2004:376).

Equally important in analysing neoliberalism and foreign influence in relation to deregulation of the Nigerian oil sector and the stand of Nigeria Labour Congress, is the bilateral conference communiqué released by the NLC and Trade Union Congress (TUC) of Ghana held in February, 2002, where the two unions reaffirmed that “We specifically commit our selves to the development of campaign and strategies for the fight against the erosion of national sovereignty and domination of our local markets through policies promoted by World Trade Organisation (WTO). Waheed Omar the former NLC president

further testified that deregulation is “not only fundamentally dangerous in social and economic terms but also grave in relation to our national security” (NLC,c, 2002:25).

As a matter of fact the growth and development of multinational corporations (MNCs) coupled with the emergence of the IMF and World Bank have led to some profound changes in the arena of which both the national and international political economy operates, including the oil trading system. These changes have significantly contributed to the liberalisation and deregulation of the oil business and steady integration of the Nigerian oil into the world economy. It is a known fact that the wind of change is blowing that the entire world is turning or has turned into a global village and Nigeria can not be an exception and live in isolation so also its economic base (i.e crude oil). But the integration of Nigerian oil economy into global economy/market is not the problem but how it is being or to be integrated is what matters. This is because “both national and international economic and political decisions are made on the basis of agreements and compromises among the major economic interest groups across the world” (Viravan and Orther, 1987:xlvi). Commenting on the legislative process of restructuring the Nigerian oil sector with regard to Petroleum Industry Bill (PIB), the Shells’ regional executive vice president for Africa, Ann Pickard is reported to have said that “we need to move quickly to obtain any necessary changes before it becomes law”. When further asked about the company’s effort to discuss and negotiate with the Federal Government on the matter (specifically The National Assembly, Ministry of finance and the CBN), Picard said “we are meeting with them at all level” (Adeniyi, 2011:49-50). These corroborate with the view of Monroe E Price, who argued that tacit or explicit arrangements among states or

between states and multinational corporations or non governmental organisations (NGOs) may be designed to affect the nature of global market... and facilitate the dominance of one ideology (interest) over another(Albrow, et'al, 2007:49-50).

The proponents of multinational corporations, who can also be seen as supporters of deregulation policy world wide held the view that MNCs invest much capital into developing countries resulting to procession and production of products locally, which would have otherwise be imported. In addition to the investment they bring in to the developing nations MNCs also serve to improve the balance of payments and raise the revenue generation of these countries. This is true to certain extent because if not the involvement of foreign countries and MNCs, (e.g Shell, Chevron, Mobil, Total etc) the Nigerian oil exploration and extraction would'nt have or could hardly be possible, due to the absence of technological know how in the country, and as a result ofthis development, Nigeria neglects its strong historical agricultural and light manufacturing economic base infavour of crude oil. Presently oil and gas export accounted for more than 90 % of export earning and 80 % of the federal government revenue” (Tanko in Duze, Mohammed and Kiyawa, 2007:137). But the critics of MNCs and deregulation specifically the dependency theory argued that “MNCs co-opt the leadership and elites of poor countries, bribing them, in effect to accept foreign investment that benefits those leaders and small elites but is detrimental to the country as a whole”. Hence, “foreign investment in developing countries does more harm than good” (Ray and Kaarbo, 2008:391). This is true to certain extent because Multinational Oil Companies su as Shell, Chevron, Mobil and Total etc, take (transfer) more capital/money out of Nigeria inform

of repatriated profit to their respective home countries than what they invest in to the country.

Fundamentally, deregulation is a neoliberal capitalist economic policy of encouraging private entrepreneurship and cross-border trade among nation states. This implies that deregulation entails neoliberal ideology of economic globalization, which World Bank defined as “the widening and intensification of international linkages and interactions in trade, investment and economic policy orientation in the world” (Akin, Chanchage, and You, 2004:24).

Giving detail analysis of the characteristic nature of international economic relations, Viravan, confirmed that “at international level market forces can only work in an orderly fashion through an accepted system of rules governing these policies in national economies which have or can have repercussion in another national economies” (1987:xxxix). Lack of equity, fairness and imbalance relationship also constitute basic characteristic features of international economic relations. Hence, economic nationalists believe that “conflicts characterise international economic relations and that international economy is a zero-sum game in which one side can only gain if another loses” (Rourke, 2004:374).

It is the belief and fear of Nigeria Labour Congress that deregulation of the Nigerian oil sector will or may lead to tight integration of the country's economic base with the economies of the advanced countries which can be detrimental to Nigeria and advantageous to the advanced economies. This view corroborates with that of dependency theory which states that “resources flow from ‘periphery’ of poor and

underdeveloped states to the ‘core’ of wealthy states, enriching the latter at the expense of the former”. The main contention of dependency theory with regard to unequal relationship between the LDCs and EDCs is that, the LDCs are impoverished while the EDCs are further enriched by the way and manner in which poor countries are integrated into the world system. Therefore the need for cheap primary resources (rawmaterials), external markets, profitable investment opportunities and low-wage labour could be seen as the reasons why economically developed countries support deregulation world wide including deregulation of Nigerian oil sector. So the central theme of dependency theory in relation to deregulation of the Nigerian oil sector is that, Nigeria will or may end up only serving as a supplier of primary resources, cheap labour and market for economically and technologically advanced countries through the influence and activities of MNCs under the guise of various neoliberal political and economic global policies of IMF and World Bank. And deregulation is one of such contemporary neoliberal policies. In view of the above Bangura conclude that, “in most cases, the drive for reform is more external than internal as governments are forced to meet certain conditions set by donors (IMF and World Bank) for loans disbursements” (2000:vi). A good point of reference is the economic reform of Structural Adjustment Programme (SAP) in Nigeria. Therefore SAP and deregulation as neoliberal policies of IMF and World Bank can be seen as two sides of the same coin.

4.3 Section III: State, ruling elites and politics of oil deregulation

The section examines the Nigerian state as a formal political institution for policy making/formulation and the way and manner in which elites both domestic and foreign

try to use it as an institutional mechanism in facilitating deregulation of the oil sector in the country. It is in view of this, that Ibrahim Braji emphasised that, “Nigerian state involves itself in capital investments for the promotion and expansion of both international capital and the interests of the local dominant class. It thus, dismantles economic and financial barriers to serve the interests of dominant class and international capital” (Braji, 2014:33).

The fact that Nigerian state is a British colonial and imperial creation is unarguable. This colonial origin of Nigerian state resulted to the emergence of certain characteristic features with remarkable impacts in which the socio-economic structure and policies of the country are being or have been formulated.

First and foremost the main assumption of many analysts in regard to state's role in policy making and formulation is that state is supposed to be impartial and unbiased (objective) in carrying out this important task and responsibility, but contrary to this view state can hardly be impartial custodian or institution as supposed or assumed to be. Instead state is seen as an organisation run by self-seeking politicians and bureaucrats, who are not only limited in their ability to collect information, formulate and execute policies but state is also under pressure(s) from interest groups (Ha-Joon Chang, 2001:2-3). Giving detail analysis of the impartial nature of state and the role it plays in the exploitation of labour and less privileged groups in the society, Ake, argued that

In Africa much of the exploitation is done not by individual capitalists, but by the state acting as a powerful entrepreneur, establishing businesses, hiring wage labour and ruthlessly extracting surplus value from its subjects. Many of those who exploit the proletariat do not themselves own the means of production, but

they control the power of the state which is used to control the means of production and to carry out exploitation (in Borongo, 1983:194).

It is interesting to note that many scholars share the above view, Borongo argued that Nigeria's post independent elites of necessity gravitated towards the state in order to achieve economic and social power, because state/political power creates possibilities for self enrichment which also provides the basis and opportunities for the formation of economically powerful and influential class in the society (Borongo, 1983:193-194). The above views of Claude Ake and Borongo are true to some certain extent as pointed out in section II of the chapter that during the first Republic Nigerian state retained the colonial laws-the Minerals Ordinance of 1958 and Petroleum Profit Tax Ordinance of 1959, which gave concession to oil companies operating in Nigeria, Specifically the shell-BP. The government retained 50: 50 percent formula for sharing profits between Nigerian government and foreign oil companies is a clear testimony of Ake's view. It is in this regard that some scholars conclude that, multinational corporations (oil companies such as Shell, chevron, Total, Mobil etc) co-opt the leadership of developing nations like Nigeria by bribing them to accept foreign investment and economic deregulation policy which benefits those leaders and few elites but detrimental to the citizens and country as whole. (See Ray and Kaabo, 2008:391). Therefore, the attainment of independence in 1960 did not bring about any significant change in the situation. Thus the first National Development Plan of 1962 -1968 rather than question colonial economic policies simply copied them (Osiruemu, 2001:192-3).

It is imperative for Nigerian state to be protective and responsive to the needs and aspirations of her citizens while conducting important transactions with other

countries, international institutions, agencies/organisations. This is important to note, since oil is the bed rock of Nigerian economy and oil market like any other competitive market or transaction is characterised with the existence of large number of political and economic interests or actors within the market. Thus, “if we are dealing with a market involving some public policy, pure competition presumes that there are a large number of politically and economically involved people or actors who pursue such policy out come because it favour them and lead to their excel (Curry and Wade, 1968:75).

Infact Nigerian government is convinced and agreed to deregulate its oil sector without much regard and consideration to the problems and implications associated with such international policy or ideology. The point to note here is that, even the mother union (organisation) of oil trading countries i.e Organisation of Petroleum Trading Countries (OPEC) is very much careful of such international economic policies, it is in this that OPEC established legal department (office), which is mandated to handle and “deal with international legal issues of significance to OPEC....about the implications of such international developments on the organisation and its member countries”. While the Research Division of the organisation is equally mandated “To follow relevant debates and policy developments in international fora and multilateral negotiations, in order to assist member countries in drawing-up their positions on such issues” (OPEC, 2011, 2012:34-35).

One of the basic responsibilities of modern state is to provide enabling environment for economic activities to flourish and ensure fair (equitable) distribution of income among its citizens. But contrary to this view and philosophy in Nigeria visible inequality, lack of

accountability and corruption are quite noticeable all over the country, to the extent that Nigerian citizens have little or have no confidence in their government military and civilian alike. This problem exacerbated and triggered the resistance of deregulation of the oil sector by the NLC. Thus Pita Agbese and George Kieh conclude that,

The typical African state is noted as repressive, brutal corrupt and inefficient entity than as a mechanism for promotion of collective well-being of its citizens. Consequently, the modern state remains largely irrelevant to the needs, interests and aspiration of people (Boucar N' Di'aye, 2010:39, in Jaye and Amadi, 2010).

It is obvious that market create wealth but it lacks the institutional mechanism to distribute (or redistribute) it fairly and equitably in the society, so in order to ensure equity and fairness in allocation and distribution of resources (income) in the society, state need to come in to function or serve as co-ordinating mechanism for the actualisation of this important function. But contrary to this view, reverse is the case in most African States including Nigeria, as Ohiorhenuan argued that “The state may foster the social structure of accumulation by nurturing a capitalist class and collaborating with capital in subordinating labour”. It is in view of this Adesina, emphasized that “the peripheral capitalist state in Nigeria, inspite of the exigencies of ethnic and nationality crises, wil in relation to subordinate social classes act in the defence of specific class interest” (Adesina, 1994:13). It is in view of this Ha-Joon Chang, argues that the neoliberal world of politics is populated and saturated by self-seeking bureaucrats, and politicians with limited capabilities operating under the influence of interest groups. In this view, politics opens the door for sectional interests to “distort” the “rationality” of the market system (Chang, 2001:11).

Consequently Nigerian state as a political and socio-economic institution had been and is still being used by segment of Nigerian elites in collaboration with their foreign counterparts to influence formulation of economic policies (such as deregulation) which will favour them. It is in line with this view Jega attests that “segment of Nigerian elite associated with critical organs of state, such as military officers corps, the so-called political class and bureaucratic-technocratic elites, have come to assume and play a prominent role in the Nigerian political economy” (2003:28). Giving further detail explanation and analysis on how elites manipulate state institution to achieve their selfish interests, Von Freyhold argued that,

It is a normal feature of capitalism that economically ruling class does not govern the state directly but leaves this to hierarchies of state functionaries and politicians who are conditioned and compelled in a number of ways to act according to the general interest of the ruling class (Journal- Review of African Political Economy, No.8, Jan-Apr, 1977:76).

Discussing further on the way and manner in which ruling elites manipulate state and its institutions for their own interests, Beckman and Sachikonye insist that “in many instances, state’s institutions have been appropriated by individuals and groups who use them to serve narrow and personal interests”. They further argued that, “Some societies have been penetrated by international agencies in pursuit of their own agenda” (2010:19). A point of reference here is the controversial petroleum Industry Bill (PIB) before the National Assembly, which if enacted and passed in to law will facilitate the smooth implementation of deregulation of the oil sector in the country, as reported that one of the principle objectives of the PIB is “to deregulate and liberalise the down stream petroleum sector” (see Adeniyi, 2011:44-45 and Idornigie, 2012). In view of this Mrs Elizabeth

Proust, the chief executive officer of the Total(oil company) is quoted in an interview to have said that

Among the major issues we seek in the PIB, apart from stable fiscal conditions that promote investment is reduced bureaucracy. Today getting approval is very complex. The duration of getting approval in Nigeria is the longest globally with the complexity in the number of agencies that we have to face (Leadership News paper, September, 1st,2014).

Nigerian state as the sole owner of Nigerian petroleum refineries and a strong stake holder in the Nigerian oil industry collaborate with national and foreign elites/capitalists to facilitate the implementation of deregulation of the oil sector in the country. Therefore, Nigerian state serve as an institution and instrument appropriated to serve the interest of domestic and foreign elites or bourgeoisie through its governmental policies. A policy of reference is president Obasanjo's economic reform programme called, National Economic Empowerment and Development Strategies (NEEDS) which entails "dismantling of public sector through a renewed privatisation, deregulation and liberalisation programme to shrink the public sector. The programme began a rapid transfer of public wealth to a few, contrary to 1999 constitution.....and there grew a sense of frustration and discontent in the working class and underprivileged (Fashina,2009:51).

The inefficiency and poor performance associated with oil industry in Nigeria can be attributed to certain principal actors including top government officials and the activities of militant groups in the oil producing communities, supported and sponsored by some unpatriotic elites in the country. This unpatriotic attitudes exhibited by such groups and individuals contributes immensely to the inefficiency of the oil industry in the country. Hence, Thomas Olawale the Executive secretary of Major Marketers Association of

Nigeria said “the NNPC lacked the capacity to address the national demand for petrol in long term and did not have the distribution network to derive product penetration” (the Guardian, 24th November, 2015:7). This is true to certain extent possibly due to high level of corruption in the oil sector-NNPC and vandalisation of the petroleum pipe lines by the Niger-Delta militants. The Federal Government of Nigeria reports that,

The total quantity of crude oil refined by local refineries in 2009 was estimated at 2,887,815:00 tonnes, down from the 5,544,446.67 metric tonnes, processed in 2008. (And) A total volume of 41,534.16 million cubic metres MMM3 of natural gas was produced in 2009 down from 66,640.75 MMM3 in 2008 showing a decrease of 37.7 percent. This was attributed to the decline in the oil production as a result of frequent attacks on oil installations by militants in the Niger-Delta (CBN, 2007:31).

In conclusion, it is obvious that arguments have been advanced that free market oriented policy could be a tool for economic efficiency and advancement, which can also lead to increase of government revenue. As discussed earlier in the chapter, that market helps in the creation of wealth, but it lacks the institutional mechanism and capacity to distribute the resources fairly (equitably) in the society, therefore there is need for the state intervention to serve as co-ordinating mechanism for fair and equitable distribution of resources among its citizens, and also to provide security and enabling environment for economic and other developmental activities to flourish.

4.4 Section IV: The position of NLC on deregulation of the oil sector

This section focuses on approaches and stand of Nigerian Labour movement in regard to government efforts to deregulate the oil sector. Consequently the section examines and analyses the politics surrounding the issue and the degree and manifestation of the NLC

involvement and the role it plays in trying to influence policy formulation in the country in defence of workers and other less privileged groups in the society. It is in view of this that in 1960 the Trade Union Congress of Nigeria (TUCN) “advocated for state ownership of the means of production and recognised private property only if it did not obstruct social and economic justice” (Ananaba, 1969:237). In its effort to achieve this important goal in 1963 the United Labour Congress (ULC) through its Political Action Committee came up with the objective of “propagation of a socialist state and furtherance of the workers’ power and influence in the national politics of Nigeria...that ascribe to the principle of socialist welfare state in Nigeria”(Ananaba,1969:237). Consequently these ideological differences and approaches in terms of political and socio-economic policies further exacerbate and increase the rivalry and antagonistic relationship between the government and the Labour movement in Nigeria. Therefore it is not surprising that, these ideological differences and perpetual struggle and rivalry between Nigerian government and Labour movement compelled the NLC through its national president, Abdulwaheed Omar to testify that;

The state has done every thing possible to divide our movement in the name of free market ideology (deregulation) which it whole heartedly embraced. It introduced voluntarism into the movement. It created new labour centres and Head of State even went as far as to make a special broadcast to the nation against us (NLC) claiming that we were posing as alternative government (NLC,d, 2010:29).

In fact it is in records that in the early 1980s, Nigeria Labour Movement led a campaign for government to own and control the major means of production in the country especially the oil industry. This can be found in the Nigerian Labour historic

document titled, 'NIGERA NOT FOR SALE'. Hence the NLC insists that "we still maintain that Nigeria is not for sale and that ownership of the major assets should be vested in government...and we have also stated in very clear terms our opposition to deregulation". Thus the NLC is seen first and foremost as an interest group in conflict with some government policies, it is against this background that Onah Iduh posits that, "deregulation and subsidy withdrawal have come to symbolise the most critical and dominant socio-economic and political points of popular contention and conflict with the ruling elites" (NLC,d,2010:16&29).

Being primarily concerned with the protection and advancement of the interests of identifiable groups (workers and less privileged ones) in the society and considering the strategic and important position of labour union in Nigerian society, the NLC take a lead in expressing the public interests and opinions in regard to deregulation of the oil sector in the country. This is done through public enlightenment, mass rally, protests/demonstrations and strike actions.

The federal government main reasons for subsidy withdrawal and deregulation of the oil sector are consistently driven on the arguments for efficiency and access to more funds to enable it provide basic economic and social infrastructure for development. But the NLC is always in opposition to such move, because in the past such efforts have always led to increase in the prices of goods and services which equally have negative impacts and consequences on the socio-economic wellbeing of workers and vast majority of Nigerian citizens. Hence Iduh insists that "the struggle which has persistently pitched NLC and its civil society allies on one hand and the federal government on the other is rooted in...the

withdrawal of subsidy and or deregulation activities of the downstream sector of the oil industry” (See, NLC,d, 2010).

In its effort to deregulate the oil sector the Nigerian government embarked on systematic withdrawal of subsidy and even premature privatisation of some country's Refineries which was later reversed (cancelled) by president Yar'Adua. And as political and economic policies there are substantial proofs and convincing evidences which show that deregulation and privatisation are two faces of the same coin that mutually strengthen one another whose aim is to encourage private entrepreneurship, ensure market flexibility and encourage movement of both material and human (labour) capital. Hence deregulation and privatisation are integral parts of neoliberalism, because the central argument of the two policies implies 'less government, and more private initiative and ownership'. Deregulation entails the opening up of an industry or sector of the economy to allow private investors to operate with government only creating enabling environment for business to thrive (flourish). While privatisation refers to the transfer of state owned enterprises (SOEs) including ownership and control to the private entrepreneurs. It also involves the transfer of government shares in the SOEs to private share holders. Privatisation programme also include an activity that ranges from selling of SOEs to contracting services to private contractors or actors. "It is a measure adopted by government to bring in private owners to the control of public enterprises accordingly to reduce government expenditure in SOEs" (Abubakar and Abubakar, 2014). Therefore transferring, selling and contracting out of public services to the private actors or contractors (sometimes through leasing and out sourcing) which mostly lead to loss of

jobs are parts of the problems and challenges of labour movements all over the world, hence the Nigeria Labour Congress did not hesitate to clearly show its resistance to implementation of such policies in the country. It is in view of this notion that Eskor Toyo concludes:

The real motive for capitalist privatisation is capitalistic. The take-over of the enterprises is one of the methods of primitive capitalist accumulation. The method of passing already built state enterprises to capitalists is a method of making capitalists jointly or individually acquired rather than build an enterprise (Weekly Trust, March, 16-22, 2001).

The truth of the matter is that, the Federal government approached deregulation of the oil sector in Nigeria through privatisation, systematic increases in prices and removal of subsidies on petroleum products. It is in view of this that Shamsudeen Usman posits that “many African countries embarked on market-based economic reforms, incorporating such concepts as liberalisation, deregulation, privatisation etc” (FRN, d, 2000:17). The federal government insists on ensuring market flexibility in the oil sector through deregulation policy claiming that, it will promote efficiency and yield high productivity in the sector. But deregulation has been unpopular among majority of Nigerian citizens, for the fact that such moves have been receiving substantial criticisms and resistance from organised labour unions, civil organisations, academia and other professional bodies in the country. Thus, the Nigeria Labour Congress presumes that deregulation could also lead to loss of jobs (unemployment) and exacerbation of socio-economic inequalities among Nigerian citizens.

In addition the experience of Nigerian workers during the days of Structural Adjustment Programme (SAP) in the country, has contributed immensely in making labour union to

be doubtful and lose hope in such neoliberal policies implementation in the country. It is true that General Babangidas' administration repeatedly affirmed to Nigerians that SAP would indeed bring about the needed economic sustainable development and self reliance in to the country. But "the SAP introduced by Babangida's regime was a package of neoliberal reform aimed at strengthening market forces and 'rolling back the state'" (Olukoshi, 1993 in Jega, 2003:32). Hence Nigerian state became seriously indebted and was negatively affected by the programme because "the IMF conditionality has changed from its earlier operations involving minimal conditionality in 1947/48 to high-conditionality lending of the 70s and 80s" (Oyejide, Soyede and Kayode, 1985). "Specifically the essential elements of SAP included currency devaluation, and exchange rate deregulation, cuts in public expenditure especially in the social services sector and the so called removal of subsidies on state provided goods and services and privatisation and commercialisation of public enterprises and services" (Jega, 2003:32). Olukoshi further reaffirmed that "the devaluation of the Naira in comparison with the real wage, resulted in hardship and deterioration in living condition of workers in Nigeria. This is because the antecedent rise in the prices of goods and services was accompanied by the reduction in wages and salaries (inDuze, Mohammed and Kiyawa, 2008:165). This view corroborate with that of the Nigerian organised labour. Infact work of various scholars such as, Olukoshi (1989), Beckman (1991), Odah (1993), Isamah (1994), Bangura (2000), and Jega (2003), all confirmed that SAP implementation in the country has negatively affected the living condition of workers and the general public. There fore the NLChas every reason to fear and express its opposition to such neoliberal economic reform policies implementation in the country.

Indeed the struggle between the government and the Nigeria Labour Congress was also intensified in 1987, when the government decided to deregulate the downstream sector of the petroleum industry. The idea of deregulation is to allow interest corporate organisations and individuals into the business of refining, distributing and selling of fuel. And the first step in its implementation was the withdrawal of government's 80 % subsidy on oil. This action immediately raised the pump price of fuel and diesel to 39.5k and 29.5k per litre from 30k and 19k respectively. This deregulation bid by the government drew the flak of the NLC which had earlier communicated its position on the removal of the subsidy on fuel to the government. In its memorandum, the Nigeria Labour Congress had listed its conditions which the government must meet in order to be able to deregulate. "These included the provision of adequate infrastructure in the country, increase in the purchasing power of the populace (workers), and setting up a monitoring body which should include members of the NLC" (Osiruemu, 2001).

Furthermore, on 20th June, 2003, the federal government through the Petroleum Products Price Regulatory Agency (PPPRA) announced new pump price of petroleum products. This was greeted by nation-wide strike declared by the NLC and its affiliates. The nation-wide strike ended with the adjustment of the prices to N34:00 per litre for petrol, and N32:00 each for diesel and kerosene (Adelabu, 2012:196).

The federal government in its effort to completely deregulate the downstream petroleum sector through its policy of withdrawal of subsidy, on 1st January, 2012, President Jonathan's administration announced the 100% removal of fuel subsidy (full and total deregulation of the sector), with this development the fuel price rose from N65 to N138

per litre. In response to new prices the organised labour under the umbrella of the NLC and the TUC called for indefinite nation-wide strike and mass rally and protest across the country commencing from Monday 9th January, 2012, and the rally witnessed a mass turn out not only by the workers but also civil organisations, professional bodies and the general populace throughout the country except in the South-South and South-East, possibly due to ethno-religious and sectional sentiments which characterised Nigerian politics and populace. Thus, it might be the reason why that Peter Esele the TUC president declared that “we have nothing against the presidency all we are fighting against is deregulation policy” (Vanguard, 13 January, 2012). After series of meetings the federal government and the Labour leaders reached an agreement and the price of petrol was brought down to N97 on 16th January, 2012. Daily Triumph, 5th January 2012, Vanguard, 2nd January 2012, Sunday Vanguard, 7th and 8th January 2012, all have reported on the issue.

For the purpose of analysis one can also argue that the NLC share the same philosophical view and approach with Keynesian theorists who believed that socio economic problems being it domestic or international could only be solved through state intervention in the production, allocation and distribution of resources. In addition to this Keynesian scholars and analysts held the view that state intervention sought to regulate socio-economic policies so that market failure can be averted. It is in view of this perception that, the Nigeria Labour Congress reaffirmed its commitment toward this direction by emphasising that “we had in the preceding years campaigned for the restoration (repairs) of our refineries and establishment of new ones (by government) being the commanding

height of our economy, we have continued to canvass for active and full participation of Nigerian state in the up, middle and downstream sector of our petroleum industry (NLCd, 2010: 41). But contrary to this view, part of the fundamental reasons and claims offered by the federal government and other proponents of more private participation and deregulation of the Nigerian oil sector is efficiency and freedom. But Eskor Toyo debunked this idea and perception when he argued that “such an idea is bourgeois ideology, if government enterprise is privatised the workers became slaves in an enterprise they do not own this is a slavery not freedom, (but) if workers participate equally with other people in owning this is freedom from slavery. The capitalist system is precisely one in which the masters i.e the owners of enterprises are free while the workers are slaves (Weekly Trust, March, 16-22, 2001: 12). There fore, one can say that the government decision to dialogue and seek for cooperation of labour leaders and indeed the entire workers in order to ensure successful implementation of privatisation exercise of its Public Corporations might not be unconnected with such fear and discontent expressed by the workers. Through this process of dialogue, some union leaders seem to be coopted. Consequently series of meetings and discussions were held with some union leaders where important issues were discussed including “employee share-ownership scheme and other end of service benefits”. Such union leaders offered some suggestions to the Bureau for Public Enterprises “including the valuation of enterprises assets and the selection of core investors”. But yet they (unions) cautioned the Bureau against private monopoly taking root in the economy (FRN, e, 2000: 35). Therefore it is not equally surprising that the critics of state intervention “accused the Keynesians of allowing

workers to grow strong through expansion of government expenditure”(Duze, Mohammed and Kiyawa, 2008:168).

Looking at it as a foreign and capitalist oriented ideology aimed at integrating Nigerian oil sector into global economy without much regard to the implication of such move by Nigerian government, deregulation has been opposed and resisted by the Nigerian Labour. It is against this background that a veteran Nigerian leader Adms Oshiomhole argued that the import-dependent deregulation of downstream of petroleum sector is one of the critical points of contestation as such the approach adopted to the downstream by government was injurious to public welfare and undermined the competitiveness of the local production. NLC took a lead to oppose deregulation and forced government on many occasions to reverse itself over petroleum price increases (Lukman, 2004:8). Considering the implication of deregulation policy on the sovereignty and security of the nation, the bilateral conference communiqué released by the NLC and Trade Union Congress (TUC) of Ghana also reaffirmed that “we specifically commit ourselves to the development of campaign and strategies for the fight against the erosion of national sovereignty and domination of our local markets through policies promoted by the World Trade Organisation (WTO) (Nigeria Labour Fact Sheet, 2002:25). A veteran Nigerian leader Abdulwaheed Omar also emphasised that, “we consider this not only fundamentally dangerous in social and economic terms but also grave in relation to our national security” NLC, d, 2010:5). Considering the competitive nature and some times conspiracy involved in international political economy, the NLC has every reason to oppose and resist deregulation of the Nigerian oil sector.

It is obvious that one of the fundamental reasons for deregulating the oil sector is the inability of the Nigerian oil industry-(specifically the NNPC/ Refineries) to function effectively, this resulted to poor production, supply and distribution of petroleum products in the country, which equally exacerbated the suffering and socio-economic hardship throughout the country considering the importance of petroleum products in the life of Nigerian citizens. In its effort to remedy this persistent and nagging problem affecting the whole country, the Federal Government in the year 2000 constituted a Special Committee on Review of the Petroleum Products Supply and Distribution in the country. Thus the committee reports that, a review of the supply and distribution of petroleum products reveals that the downstream sector of the petroleum industry is operating sub-optimally and indeed threatens to atrophy for the following reasons:-

- 1- Domestic supply through refineries have been eroded over time and it would require massive investment in existing refineries to restore capacity
- 2- The monopolistic position of a single player, NNPC, left system aided by government control of prices have prevented the entry of other players who could have ameliorated the bottleneck through involvement in the supply and distribution chain etc. (FRN, 2000:i-ii).

The terms of reference of the committee include recommending a structure of petroleum products supply and distribution which is self-financing and sustainable, the committee is also to recommend a structure characterised by freedom of competing marketers which will encourage private entrepreneurship and ownership in the Nigerian oil industry. Thus it is in view of this that the committee recommends “that government should begin to

deregulate and liberalise the import of petroleum products by other parties. To enhance and encourage the participation of marketers and third parties in the importation of products”The committee also noticed epileptic performance of the government owned refineries as one of the major constraint facing oil industry in Nigeria, and therefore recommends “the elimination of government subventions which will remove inefficiency and end the drain on public purse” (FRN,g, 2000:v, 72 and 98). President Obasanjo embarked on deregulation of the oil sector claiming that, the benefits of deregulation includes, provision of uninterrupted petroleum products supply there by buoying economic and commercial activities in the country, promoting investment leading to creation of several jobs and reducing use of government funds in the downstream sector by reinvigorating private investment in the sector. (Standing Tall,2005:27). But contrary to this view the NLC and indeed many Nigerians held the view that, to overcome the problems and challenges of petroleum products supply and distribution, country’s refineries should first and foremost be fixed (repairs) to their initial full capacity of production, and new additional refineries be built so that supply and demand will match. Otherwise “deregulation without local supply will only lead further encourage import and virtually seal all hopes of ever reviving the refineries and gainfully utilising the vast assets there in” (FRN,g, 2000:95).

The Nigeria Labour Congress further challenged the government effort to deregulate the oil sector arguing that;

We do not share the belief that the problems of production, supply and distribution of petroleum products which we have continued to witness is simply because the four refineries are state owned. Publically owned refineries are

working very well in many parts of the world including those that don't have oil (NLC,d, 2010:41).

The important question to ask here is that, why the Nigerian oil industry-specifically the refineries are not efficiently performing or not operating to their full capacities of production? The truth of the matter is that, this problem is not associated or familier with only oil sector in the country, but virtually the entire Nigerian industrial and economic sectors are characterised and affected by inefficiency and poor performance, possibly due to rampant corrupt practices and lack of accountability in almost all political and economic sectors in the country. E.g the power sector and banking industry to mentioned just a few. Therefore Nigerian government must deal with the roots rather than the branches, dig indepth rather than the surface, and treat the disease rather than the symptoms. Thus, for government to embark on deregulation of the oil industry without solving the problems and causes of inefficiency and poor performance is of no use.

Fundamentally, deregulation as a neoliberal economic policy entails encouraging and promotnng private enterprenuership, cross-border trade among nation states and lesser government involvement in the economic affairs of the country. This policy contradicts not onlythe views and position of the NLC but also provision of the 1999 constitution of the Federal Republic of Nigeria. Therefore it is not surprising that NLC as an inerest group keep onemphasising that it will continue to defend and protect the workers and other less privileged groups in the country by using constitutional means and provision which make it mandatory for Nigerian state to participate fully in those sectors of the economy considered vital and key to economic development of the nation. This struggle

and objective of the NLC is in accordance and conformity with the provision of the 1999 constitution section 16 (b) which states that the state shall:-

“control the national economy in such a manner to secure the maximum welfare, freedom and happiness of every citizen on the basis of justice and equality of status and opportunity”. Equally important for analytical reference is the provision of sub section (2) of this section, which also states, that the state shall direct its policy towards ensuring:-

(a) that the material resources of the nation are harnessed and distributed as best as possible to serve the common good of the citizens.

(c) that economic policy is not operated in such a manner as to permit the concentration of wealth or means of production and exchange in the hands of few individuals or of a group. Considering the aforementioned constitutional provisions one can conclude that the NLC has every reason to justify its opposition and resistance to deregulation of the Nigerian oil sector using constitutional mechanism and approach in defence of its argument. Perhaps not only the NLC recognises state intervention in the socio-economic wellbeing of its citizens, but even the World Bank recognised state's involvement and intervention in the socio-economic progress of the society. Thus, “the 1997 World Development Report for instance affirmed that state is central to economic and social development, as a partner, catalyst and facilitator” towards ensuring socio-economic wellbeing of its citizens (World Bank, 1997a:1 in Bangura, 2000:5). Therefore it is not surprising that a veteran Nigerian labour leader Abdulwaheed Omar concludes that

The economic meltdown has shown that the economy and its regulation can not be left to the whims and caprices of free market forces and that government does have a strong and leading role to play not only in the regulation of business and the economy but it must also be a key player in the ownership and management of business and non business institutions. For the regulatory role to make impact (Adelabu, 2012:196).

It is in view of this that the NLC maintained its position that “deregulation has adverse effects on employment, prices, and public welfare and that there should be no privatisation of strategic socio-economic sector” (in Adelabu, 2012:196).

4.5 FINDINGS

Although arguments have been advanced that deregulation could promote efficiency and high productivity in the Nigerian oil sector, it could also lead to reduction of public expenditure (subsidy withdrawal). Through this saving could be made for reinvestment into the other sectors of the economy, which could also lead to diversification of the economy. But on the other hand the organised labour is concerned about what will happen to the living condition of workers and other less privileged groups in the country. The study found out that the fear of job security (loss of job) and deterioration of living condition of workers and other less privileged groups have led the NLC to become the most popular organised group against deregulation of the Nigerian oil sector.

In addition fear and mistrust of the government past related neoliberal economic policies and programmes particularly SAP, also contributes to the NLC's opposition to deregulation policy.

Nigeria is a populous and pluralist state which comprises people of different ethnic, religious and cultural backgrounds. And these divergent characteristic nature contributed to the ethno-religious and sectional sentimental politics in Nigerian state, which negatively affect the polity. But it is discovered that despite these differences a segment or some segments of Nigerian elites succeeded in uniting themselves in pursuit of their self interest in the nation's economic base (oil). Therefore, it is not surprising that, William D Graf argued that, "The Nigerian dominant classes have evolved from a fractious, ethno-centred and self seeking series of groupings into a relatively cohesive, autonomous and self confident stratum capable of regulating its potentially internecine conflicts, while pursuing its collective interests against the interests of the other social strata" (In Barongo, 1983:189).

There are also external forces believed to be behind the push for deregulation of the Nigerian oil sector. Hence, the policy is also seen as a foreign oriented, imported into the country under the guise of invigorating the oil sector.

It is evident that Nigeria is a mono economy that largely depends on oil, and over dependence on this single source of revenue exposes Nigerian economy to the vagaries of international oil market politics and its dynamic instability (uncertainty). Therefore, considering the instability and uncertainty nature of international petroleum market and the importance of petroleum products in the life of Nigerian citizens has shown that, the Nigerian economic base can not be completely left to the whims and caprices of free market forces.

It is also discovered that neoliberal policies are increasingly spreading, and economically national boundaries are declining world wide, while deregulation policy is rapidly facilitating free movement of not only goods and other services but also of persons/human labour. And consequently this development posed a serious challenge to both policy makers and the organised labour (NLC) in the country. Therefore, it is in view of the above reasons that The Nigeria Labour Congress emphasised that “deregulation of the oil sector has adverse effects on employment, prices and public welfare...” (Adelabu, 2012:196).

CONCLUSION:

It is widely presumed and acknowledged that in every society there exist two main category of people-the dominant and the dominated which are always in persistent conflict and perpetual struggle in defence of their interests. Among the struggling dominated groups is organised working class (Labour Union). It is within this frame of reference and analysis, the Nigeria Labour Congress present itself as one of the important interest groups in the Nigerian society. Consequently considering the important and strategic position of Labour Union in the political and economic affairs of Nigerian polity, the NLC keep on trying to influence decision making process and policy formulation in the country. Therefore, in this regard Nigeria Labour Congress (NLC) is seen first and foremost as an interest group with sole aim of protecting its members and other less privileged groups in the country. And it is within this frame work of analysis that the views and approaches of the NLC towards deregulation of the Nigerian Oil Sector are analysed. Because it is in conformity with one of the main aims and

objectives of the NLC “to continually strive to influence public and corporate policies, and legislation on all issues at all levels, in the interest of workers, less advantaged social groups and Trade Unions” (see NLC,a.).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 SUMMARY

The study provides an over view of some major issues, trends, challenges, efforts and actions taken by Nigerian state and government towards restructuring Nigerian oil sector with the aim of making it viable and efficient sector considering its socio-economic importance and relevance to Nigerian state and her citizens. The persistent pressure domestic and international, to modify and restructure the role and function of government in relation to economy, also contributes to the choice and implementation of deregulation policy of the Nigerian oil sector. On the other hand, the Nigeria Labour Congress (NLC) openly and clearly shows its stand and position on the government policy of deregulation of the oil sector. The organised labour on many occasions expresses its resistance and opposition to the policy some times through dialogue, mass media, petitions, massrally in collaboration with other civil organisations and professional bodies and strike actions.

In summary, the dissertation is divided in to five chapters. Chapter one introduces the research topic i.e Nigeria Labour Congress and the Deregulation of the Oil Sector, the chapter also includes statement of the problem, objectives of the study, research question, significance of the study, scope of the study and methodology.

Chapter two presents literature review, in which a significant number of scholarlary works on Nigeria Labour Congress and deregulation of the Nigerian Oil Sector were reviewed.

In addition, theoretical frame work (the theory of neoliberalism) which is used as a guiding theory of the study is also included in the chapter.

The third chapter discusses the historical background of the study, and traces the historical origin of Labour unions/movements and their activities from precolonial to colonial and post colonial (present) Nigerian society.

While chapter four presents assessment/analysis of data. This is because in any research, a researcher must come up with how to analyse his data and presents his findings for proper and clear understanding and easy interpretation. Thus, data analysis involves putting the data received into a particular form for ease comprehension and understanding (See Zahardeen, 1995:39). This chapter is further sub divided into four sections. The first section presents the general argument for and against deregulation, section two discusses the foreign forces and influence which contributes to deregulation of the Nigerian oil sector, section three provides an overview and assessment of the role of Nigerian state and ruling elites towards ensuring formulation and implementation of deregulation policy of the Nigerian oil sector, section four examines the stand and position of the Nigeria Labour Congress. The section also examines and analyses the degree and manifestation of the NLC's involvement and the role it plays in trying to influence policy formulation in the country in defence of Nigerian workers and other less privileged groups in the society.

5.1 CONCLUSION:

It is obvious that the role and significance of labour union in defending and protecting the interests of its members and other less privileged groups in the country can not be over emphasised. This is because labour union and movement serve as dependable tool and mechanism for the defence and protection of the interest of workers and other less privileged members in the society. As an interest group and a stakeholder in the political economy of Nigerian state, the leadership of NLC has always been advocating for the formulation of fair and people oriented policies in the country, this is to ensure that policies are not formulated at the detriment of workers.

5.2 RECOMMENDATIONS

It is obvious, that the long persistent crisis in the Nigerian oil sector have a serious negative effect not only on the state's economy but also employment. There fore this situation suggest that Nigeria must not rely on this single of generating revenue, rather diversification should be considered. Which means attention should also be given to other economic sectors such as agriculture and other mineral resources (like iron ore, coal, copper, zinc, columbite, gold etc) available in the country. In the past agriculture had been the bedrock of Nigerian economy and viable source of its revenue. If these sectors are developed, means of job opportunities and reducing poverty among Nigerian populace are created and sources of state revenue also broaden. There fore diversification creates and improve national revenue stability, as crisis in one sector can not cripple the entire economy. In addition apart from creation of employment opportunities, poverty reduction and increasing the government sources of revenue, diversification can also promotes

industrial pace and harmony as well as general security and stability in the country. 'Since an idle mind is a devil mind'.

Secondly, Nigerian leaders need to know that a genuine reform/policy should be comprehensive and people oriented, and sensitive to the socio-economic realities in the country, not as Ibrahim Babangida's administration concluded that "No Alternative to SAP". But if the present civilian administration also held this view with regards to deregulation of the Nigerian oil sector, then the government should embark on public enlightenment and educating people (citizens) on the meaning and benefits it believe to be associated with the deregulation. And part of the campaign should or must be directed towards clarifying and providing solutions about the doubts and fears of the NLC. This is because support and cooperation of employees and the labour organisation is of paramount importance for the successful implementation of any government policy in the country.

It is also observed that one of the challenges facing the Nigeria labour congress is leadership problem, this is because as it happened in the past still there is persistent struggle for power and leadership in the NLC which if not properly handled will destroy the union and the movement. In fact sectional, ethnic and religious sentiments and inclinations are not only familiar with national politics, but also penetrate in to the labour union politics, as pointed in chapter three of the study.

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APPENDIX

AIMS AND OBJECTIVES OF NLC

Article 3 of the NLC states that:

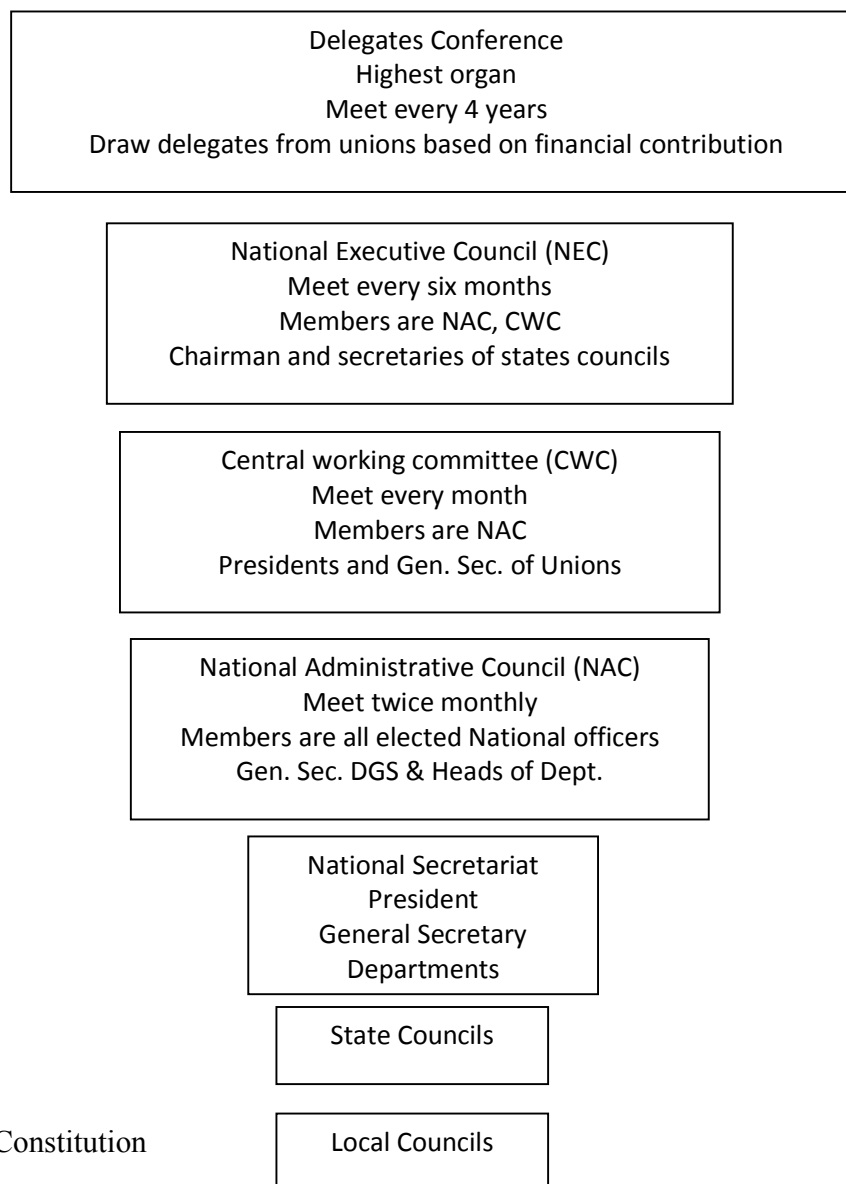
“The fundamental aims and objectives of the congress are: to protect, defend and promote the rights, well-being and the interests of all workers, pensioners and the trade unions, to promote and defend a Nigerian nation that would be just, democratic, transparent and prosperous and to advance the cause of the working class generally. (NLC Constitution)

Some specific objectives of NLC are:-

1. To continually promote, defend and advance the economic, political and social well-being of Nigerian workers
2. To continually enhance the quality of life and improve the income and other working conditions of workers
3. To promote and defend democracy probity and transparency in the trade unions and in civil governance
4. To work for the industrialization and prosperity of the Nigerian nation and ensure protection of jobs, full employment and human working environment
5. To continually strive to influence public and corporate policies and legislations on all issues at all levels, in the interests of workers, disadvantaged social groups and trade unions, etc (Constitution of NLC)

Considering the above mentioned objectives Fashina concludes that “Workers’ struggles included resistance to increases in the prices of petroleum products, the struggle for an increased minimum wage, the right of workers to a political organization of their own, the protection of democratic rights, etc. Fashina (2009:52).

ADMINISTRATIVE / ORGANISATIONAL CHART OF THE NLC



Source: NLC Constitution