Nigeria: Unions call off general strike against fuel price increases

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On January 18, the Nigerian Labour Council (NLC) and its 29 affiliated unions called off the general strike that had paralysed the country for two days.

The strike on January 16 and 17 was in protest at the decision by the Petroleum Price Regulatory Committee (PPRC) to impose a crippling increase in the cost of fuel oil—18 percent on gasoline and diesel and 40 percent on kerosene.

The strike call was widely supported across Nigeria's major towns and cities, with all government offices, banks, petrol stations, shops and markets closed. Public transport was at a standstill and pickets were out on the highways and at bus stops to enforce the strike.

In Ado Ekiti, capital of Ekiti State, university students patrolled the major streets to enforce the strike. In some areas, groups of youth burned tyres in the road to stop the traffic. The *BBC* reported clashes in Lagos between the police and protesters who were trying to prevent civil servants going to work.

There is tremendous anger amongst millions of low-paid Nigerian workers against the price hike imposed on January 1. Most workers survive on around $300 per year, and even before the fuel price increases were unable to provide enough food for their families. According to a report by the World Bank, around 66 percent of the population now fall below the poverty line of $1 a day, compared to 43 percent in 1985.

Nigeria is the sixth largest oil producer in the world and the population has come to expect cheap fuel. Even during the period of military dictatorship the government hesitated to increase the price of fuel substantially. Two years ago, President Obasanjo attempted to increase fuel prices by 50 percent but backed down after a five-day general strike. Last year the threat of strike action forced a compromise over fuel prices.

This time, however, the government prepared for direct confrontation with the unions, declaring the strike illegal because only seven days notice had been given instead of the statutory 21days. An emergency meeting was held with the national police chief and most of Nigeria's 36 state governors to co-ordinate action against the strike and all Nigeria's security agencies were mobilised.

On the first day of the action, NLC leader Adams Oshiomhole and nine other union leaders were arrested after the police used tear gas to disperse pickets outside government buildings in Abuja, the capital. They were charged with incitement, conspiracy, unlawful assembly and disturbance of the peace.

Oshiomhole was released on bail, but was then re-arrested the following day. Eighteen union activists were arrested in Kaduna, 25 in Abeokuta and 16 at Port Harcourt. Police also sealed off the Ogun State NLC Secretariat. In several cities heavily armed paramilitary police mounted teargas attacks on demonstrators and carried out mass arrests.

On the second day of the strike, the High Court in Abuja issued an order on behalf of the government, halting the strike, pending a decision on its legality. Despite the vows made by the NLC leadership to defy the courts and government, the unions made a rapid retreat and issued an order for all the strikers to return to work last Friday.

The NLC instruction created tremendous confusion, with workers in several states refusing to go back to work immediately. In Ibadan, Oyo State capital, business was paralysed for a third day running and in Ekiti State the regional government offices remained locked. Many major markets throughout the country were also closed.

Answering workers charges that the NLC had capitulated before the government, NLC General Secretary John Idah claimed, "We have just decided to respect the law and this does not mean we agree with the injunction." The Trade Union Congress of Nigeria has cynically indicated its acceptance of the NLC's decision by calling for "economic relief measures to cushion the effect of the price hike on the socio-economic lives of the people."

The government's decision to increase the price of fuel for the domestic market is tied up with International Monetary Fund demands for Nigeria's economy to be opened up to international investors. In the past, the government has supported the monopoly of the Nigerian National Petroleum Corporation (NNPC) with a subsidy to enable a supply of crude oil at $8.5 per barrel, while the world price was $20 and above. The subsidy had cost a total of $1 billion in 2001. But in order to attract foreign investment into the country the government has agreed to "liberalise prices" and privatise the remaining nationalised industries.

The NLC does not oppose the government's policy of economic liberalisation in principle. Internet news site *This Day* insists that the NLC has "embraced the liberalisation plan". During negotiations, when the NLC signalled that a "single-digit" fuel price rise could be acceptable, it was intended as a warning to the government that the price hike should be introduced in stages.

The liberalisation programme is already well under way. *This Day* reported a source close to the president's "Technical Campaign Committee on Liberalisation of the downstream sector of the Petroleum Industry" saying that the policy was irreversible, because "foreign investors are also involved already." The source added that the government was ready to protect investors and warned, "If the government chickens out at this stage, it is scary and it can shake investors confidence."

Nigeria faces a rapidly deteriorating political and economic crisis, with inflation at 15 percent and an external debt of $30 billion. The recent events in Argentina—a former showpiece of IMF orthodoxy—are an example of the similar nightmare scenario faced by President Obasanjo and his ministers. Information Minister Jerry Gana put their fears into words, when he berated the NLC over the recent strike: "They should have saved us this trauma. Is that the answer that those who want to cause problems in this country learn from Argentina?"

The commonly repeated claim of endemic corruption—often made by those who are simply better at keeping their own corruption hidden from view—has caused foreign investment to decline sharply, not just than in the energy sector. The government has lost whatever popular support it once commanded and now faces losing political backing from Western governments.

Oil accounts for almost half of Nigeria's gross domestic product (GDP) and about 85 percent of all foreign exchange earnings. Even though Nigeria produces two million barrels of crude oil a day for the international markets, its own refineries are in a state of disrepair and can only supply 30 percent of the country's fuel requirements.

Although Nigeria's economy is forecast to grow by 3.5 percent in 2002, according to the Economist Intelligence Unit, it has failed to meet most of its targeted reforms on spending, inflation and privatisation during the last 12 months. As a result, a stand-by credit agreement with the IMF lapsed at the end of October, leaving the country with few economic options. Discussions with the IMF for a new economic programme are now under way. The need to prove its resolve to stick to IMF policies is likely to have been a factor in the government's hard line on the NLC.

But with the US determined to dominate the world's oil-producing regions, and its drive to keep prices down for domestic reasons, international crude oil prices are expected to fall. This will have disastrous impact on Nigerian foreign exchange earnings and the country's ability to import goods, particularly refined fuel products.

The depth of the political crisis in Nigeria today can best be judged by the assassination of a growing number of the country's politicians—the most well-known being that of Bola Ige, the former Minister of Justice. Olugbenga Damola Adebayo, who was asked to carry out the assassination of Ige, has claimed in an affidavit that President Obasanjo himself was involved in the killing.

That highly placed politicians have now turned to assassination as a means of dealing with their opponents speaks volumes about the increasingly narrow base of support enjoyed by Nigeria's ruling elite.

Accompanying this is the creeping militarisation of the country. The army is already in control of eight states, and it is likely that this number will increase, as the ethnic rivalries—in which 10,000 people have been killed since 1999—are whipped up by local elites in a bid to strengthen their positions. The army has already flexed its muscles, such as in the massacre of hundreds of unarmed villagers in Benue State last October, in response to the killing of 19 soldiers.

The Nigerian working class presently has no organisation that can advance an alternative perspective to the bankrupt union leaders and lead a fight against the attacks on its living conditions. The demise of the latest general strike has shown that the NLC is completely worthless as an organisation for defending the living standards of the Nigerian masses. The era of globalisation demands a global organisation and a global perspective aimed at uniting the exploited masses of Nigeria with the working class in the advanced capitalist countries. Only on this basis can the onslaught by the Obasanjo government and his Western backers be defeated.