THE NIGERIAN LEGISLATURE AND GOOD GOVERNANCE: A PUBLIC POLICY PERSPECTIVE ON THE FUEL SUBSIDY REMOVAL EXPERIENCE

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Abstract
The ability of any country to consistently improve its performance in terms of economic growth and development would need to be dependent on good governance. Good governance embedded in well-structured and diligently implemented public policy. Public policies are developed by officials within institutions of government to address public issues through the political process, called legislation. These officials, in Nigeria are the legislators, who are faced with the situation of jointly identifying a desirable future condition, creating policies and taking actions to move toward the desired future state, monitoring progress to allow for necessary adjustments; adjustments that will lead to that desired future state. That desired future state is the whole essence of governance. But in Nigeria today, especially since the upsurge of fuel subsidy removal, the lawmaking body of the nation cannot be said to have jointly identified the Nigerians problems, enacted policies that will ensure good governance in the country. Finding the reason for such inadequacies is the thrust of this paper; hence the paper x-rays the role of the Nigerian legislature in good governance, with special emphasis on the 1st of January 2012 fuel subsidy removal broadcast.

Keywords: Good governance, Legislature, legislation, public policy, public policy making, Fuel subsidy removal

Introduction
Public policies are complex issues, oftentimes, involving special interests but first and foremost, it is about the demands of the general public. It is in this regard that Nigerian legislatures are advised to consider these four core principles. Firstly, politicians and public servants are accountable to the public. Secondly, Elites, in politics and the private sector, do not have the right to pursue their interests without constraints. Thirdly, Government bureaucratic and decision processes must be open, accessible, and transparent, as well as being responsive to public concerns. Finally, Individuals who are affected by these policies have the right to information regarding proposed developments; the right to challenge the need for, and the design of, projects; and the right to be involved in planning and decision-making processes. This is to guide them in making policies that affects the entire Nigerians.

Unfortunately, decisions on the recent fuel subsidy removal in Nigeria did not correspond with the first and second principle of accountability to the general public and Elites, in politics and the private sector not having the right to pursue their interests without constraints hence the interest of cartels where pursued and won without constraints. As a matter of fact, President Goodluck Jonathan's responses to the clarion call by various quarters to revert to the former pump price of N65 per litre when he declared "there is no going back". In terms of being open, transparent and responsive to the public concern, the Nigerian policy makers- both the executive and the legislature defaulted. Lastly, when the people affected (about 168 million Nigerians according to NPC, 2012) challenged the policy; they were ignored with reckless abandon.

Question has been, the executive, vis-à-vis the presidency and the legislature, who is to blame considering the events that unfolded from January 1st to January 14th 2012. The answer to the above question which must embrace intellectual analysis has led to this paper.

Methodological Perspective

Methodologically, this paper is not an expeditory effort stretching out to obtain new data to expand the frontier of knowledge therewith (Tijani, 2008). If anything, it is expounding and assenting hence by exploring for and collating existing and known data, this work seeks to corroborate what is already known, which has not been admitted because should we had admitted it overtime, perhaps, the issue of fuel subsidy removal would not have sufficed hence the legislators would have done their legislative duties appropriately and judiciously. The above implies that the secondary source of data generation was utilized for data generation and on the course, certain concepts were identified for conceptualization. Such concepts include governance (good and bad governance), legislation, public policy and public policy making as well as fuel subsidy removal.

Conceptually, *governance* has been identified as a good omen provided it is able to achieve the desired end of the state defined in terms of justice, equity, protection of life and property, enhanced participation, preservation of the rule of law and improved living standard of the populace. Governance is termed bad when it fails to achieve the purpose(s) of the state. It has been defined as the process that is employed to achieve the noble end of the state. Thus, it simply implies the art of governing a people within a given territory or a state; consisting of two essential elements of the state, namely the structure of the state and the procedures of the legislative, judicial and those of the executive and administrative bodies at all the tiers of government. In one word, governance is the "state in action". Hence Hirst and Thompson (1996) defined it as "the control of an activity by some means such that a range of desired outcomes is attained".

A better understanding of the concept of Governance, Ogundiya (2010) argued is better conceived from Lasswell traditional definition of politics as who gets what, when and how and perhaps how much. This is why; governance has a lot to do with the allocation of values in the society, which to a large extent is political in nature (Ogundiya, 2010). While politics is the authoritative allocation of values or who gets what, when and how, governance is the process and mechanisms of allocating the values without jeopardizing the principle of equity, justice and fairness. Therefore, it is through the practical application of the authority and the processes of governance that the powers of the state acquire meaning and substance.

In this regard continues Ilufoye (2010) the World Bank viewed governance as, "the manner in which power is exercised in the management of a country's economic and social resources for development. The Bank further identified the following three key aspects of governance: the form of a political regime; the process by which authority is exercised in the management of a country's social and economic resources and the capacity of governance to design, formulate and implement policies and discharge functions. Governance, defined as the process of allocating resources, through the instrumentalities of the state, for the attainment of public good, therefore encompasses institutional and structural arrangements, decision making processes, policy formulation and implementation capacity, development of personnel, information flows and the nature and style of leadership within a political system. Hence, governance is largely about problem identification and solving. The extent to which the society's problems are solved or not depends on how good or bad the governance is (Odunuga, 2003 in Ilufoye 2010).

Explicatively, a better understanding of the concept of good governance, an understanding of the opposite will suffice. Hence the World Bank (1992) averred that bad governance has many features, among which are: failure to make a clear separation between what is public and what is private, hence a tendency to divert public resources for private gain; failure to establish a predictable framework for law and government behaviour in a manner that is conducive to development, or arbitrariness in the application of rules and laws; excessive rules, regulations, licensing requirements, etc, which impede the functioning of markets and encourage rent-seeking; priorities that are inconsistent with development, thus, resulting in a misallocation of resources and excessively narrow base for, or non-transparencies, decision-making.

Corroboratively, Obadan (1998) averred 'when these features occur together, they create an environment that is hostile to development hence the essence of government is to engender development. In such circumstances, he further argued that the authority of governments over their peoples tends to be progressively eroded; and as such, bad governance by entailing corruption, and lack of accountability and transparency, provides opportunities for the well-connected elites and interest groups in the society to corner for themselves a sizeable proportion of the society's resources at the expense of the masses. Thus, bad governance is contrapuntal to a nation's socio-economic and political development (Obadan, 1998, cited in Ilufoye 2010).

In essence, bad governance is the absence of good governance. In this regard, the African Development Bank views good governance as one that embodies and promotes effective states, mobilizes civil societies and productive private sectors. While the United Nations Development Programme (UNDP, 1996) sees good governance as a commitment and the capability to effectively address the allocation and management of resources to respond to collective problems, the Organization for Economic Cooperation and Development (OECD, 2005) asserted that good governance has eight major characteristics - participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law, hence it assures minimized corruption, the minorities views taken into account and the voices of the most vulnerable in society heard in decision-making (OECD, 2001). These are assured only through formidable public policies.

According to Wolf Robert, public policy as a government action is generally the principled guide to action taken by the administrative or executive branch of the state without regard to a class of issues in a manner constitute with law and institutional customs. Some scholars define public policy as a system of "courses of action, regulatory measures, law and funding priorities concerning a given topic promulgated by a governmental entity or its representatives" says Kilpatrick (2001). Schusler (2009) sees public policy is an attempt by a government to address a public issue by instituting laws, regulations, decisions, actions pertinent to the problem at hand. It can be defined as a system of laws, regulatory measures, and course of action and funding priorities concerning a given topic promulgated by governmental entity or its representatives; hence a major aspect of public policy is law. But Surhone (2010) sees public policy as commonly embedded in constitutions, legislative acts, and judicial decisions. In the United States for instance, the concept refers not only to the result of policies but more broadly to the decision-making and analysis of governmental actions. It is thus 'governmental actions'.

Conceptually, Hornby (2005) defined subsidy as money that is paid by a government or an organization to reduce the cost of producing goods and services so that their prices can be kept low. It is a payment made by government to producers of certain goods and services, to enable them produce and sell at lower prices than they would; as the policy helps to lower the market prices below the factor costs, so that consumers would have the privilege to pay less for the goods and services than they cost the producer to produce same (Hornby, 2005).

Essentially, subsidy exists when consumers are assisted by the government to pay less than the prevailing market price of a given commodity. In respect of fuel subsidy, it means that consumers would pay below the market price per litre of petroleum product. Consequently, subsidy removal exists when consumers are no longer assisted by the government to pay less than the prevailing market price of a given commodity. In respect of fuel subsidy removal, it means that consumers would no longer pay below the market price per litre of petroleum product because the assistance is no longer there. Therefore, the buyers will pay the exact prevailing market price.

According to Ovaga (2012), subsidy, in economic parlance, exists when consumers of a given commodity are assisted by the government to pay less than the prevailing market price of same. In respect of fuel subsidy, it means that consumers would pay less than the pump price per litre of petroleum product. On the other hand, fuel subsidy could be described as the difference between the actual market price of petroleum products per litre and what the final consumers are paying for the same products.

The iinstitutional model is applied in public policy is determined by political institutions, which give policy legitimacy as Government universally applies policy to all citizens of society and monopolizes the use of force in applying policy. The legislature, executive and judicial branches of government are examples of institutions that give policy legitimacy.

According to Fabiyi (2010), Government institutions have long been the central focus of political science. Traditionally, political science was defined as the study of government institutions hence political activities generally centre around particular government institutions- legislature, executive, judiciary, bureaucracy, state, local government, etc. Public policy is authoritatively determined, implemented and enforced by these governmental institutions.

He further stated that the relationship between public policy and government institutions is very close. Strictly speaking, a policy does not become public policy until it is adopted, implemented and enforced by some government institutions. Government institutions, as a matter of policy, gives public policy three distinctive characteristics, one of which is that government institution lends legitimacy to policies. Government policies therefore are generally regarded as legal obligations that command the loyalty of citizens (such as fuel subsidy removal). Secondly, government policies involve universality hence it is only government policies that extend to all people in the society; hence the policies of other groups or organizations reach only a part of the society. Finally, government monopolizes coercion in society as it is only government that can imprison violator of its policies.

Unfortunately, the institutional approach in political science did not devote much attention to the linkages between the structures of government institutions and the contents of public policy. Instead, institutional studies usually describe specific governmental institutions- their structures, organization, duties and functions without systematically, inquiring about the impact of institutional characteristics on policy outputs; hence constitutional and legal arrangements were described in detail as were the myriad government offices and agencies at the federal, state and local levels.

However, the linkage between institutional arrangements and contents on policies remains largely unexamined. Nevertheless, the impact of institutional arrangement on public policy is an empirical question that deserves investigation (Fabiyi, 2010). Yet caution must not be thrown to the wind in our assessment of the impact of the structure- the legislature on the public policy- fuel subsidy removal.

Good Governance in Nigeria

Despite its enormous resources and huge potentialities, Nigeria remains grossly undeveloped. Consequently, Ogundiya (2010) averred that political instability, abject poverty, acute youth unemployment, heightened crime rate, poor health prospects and widespread malnourishment have been the main features of Nigeria's political economy. The development tragedy in Nigeria fits into the trends of political instability for which Africa has become infamous for in the past three decades. This further lends credence to the arguments by some students of African politics that governance is one of the major problems in Africa. Hence the problem of development in Nigeria is a problem of governance; especially when defined in term of the proper, fair and equitable allocation of resources for the achievement of the end or purposes of the state, which is the promotion of the common good.

Unfortunately, Dickson had averred that one fundamental thing we lack in governance and government in Nigeria is the word 'good'. Many Nigerians talk about good governance as the only guarantee to peace, progress, stability, free and fair elections, in fact it is viewed as the only passport to delivering the dividends of democracy. For the health, power, the manufacturing sectors, education and largely the nation to work, we need good governance, in order to maximize our potential, improve the general welfare of the Nigerian people and even development in geo-political terms, there must be good governance. Until good governance is viewed as the process of decision-making and the process by which decisions are implemented (or in our case not implemented). We are still far off simply because the way and manner public persons tend to public institutions, conduct public affairs, manage public resources, are corrupt, and without due regard for the good of the people (Dickson, 2012).

Good governance within the confines of a popular democracy should be anchored on two things, one, a constitution suited to the special needs and circumstances of Nigeria as multi-dimensional ethno-religious and political economic structure: and two, a leadership suited not only to the exigent needs of Nigeria, but the exactitudes of the people. Good governance requires no ordinary type of leadership; tolerance; breadth of outlook, intellectual comprehension; hard work; selfless devotion; statesmanship; a burning sense of mission are some of the virtues that are necessary to make a success of leading this nation. Unfortunately, past administrations have lacked these virtues or at best have possessed one at the expense of the other and as such led them to groping in the dark on how to deliver good governance. The increasing fears is that today, with the legislature implicitly, involved, the current government is guilty of same crime; as the current administration have refused to cultivate leadership qualities shown to have knacks to develop a mental magnitude, as clear as our problems are, and there seems a lack of ability in appreciating and grasping the salient details as well as most of the temporal and practical implications of a given situation or problem such as the fuel subsidy issue (Dickson, 2012).

Therefore, for good governance to be feasible in Nigeria, sound anti-corruption policies devoid of mere speeches must be put in place. Furthermore, a functional legislature, a viable and independent judiciary, and the attitudinal transformation on the part of the political elite, the absence of which good governance and development will continue to be a mirage. The essence of a functional and virile legislature is to make a sound policy for the public.

Public Policy in Nigeria

Shaping public policy is a complex and multifaceted process that involves the interplay of numerous individuals and interest groups competing and collaborating to influence policy makers to act in a particular way. These individuals and groups use a variety of tactics and tools to advance their aims including mobilizing allies on a particular issue (Kilpatrick, 2011). In Nigeria, public policy pertains to the body of laws and status that regulate all facets of National life. Public policy spells out the laws and means by which government intends to address a particular issue. Some public policy initiatives are sweeping and have repercussions for all of the society. Every public policy initiative has sets of stakeholders - the legislators, the citizenry (or section of them) and the private sector (Fabiyi, 2012). The legislators are to consider and create policy and as such facilitate the process by which the public make contributions to the debates on public policy initiatives being deliberate and are charged with crafting the final language of the policy. The citizens are affected by the policy and is usually in their interest to engage quickly and early in the policy space.

The most significant observation that has been made about Nigerian public policy space is the near complete absence of engagement by citizens and the private sector in the policy-making process. Public policy across the world's economy is enriched by the active participation of the private sector and policy focus on think tanks. For instance, America has over 1,100 think tanks because they have policy focus. China has 2,500 policy research institutions of which about 70 are comparable to those in the more advanced economies and are known for having a significant impact on public policy. But in Nigeria, one would struggle to count even five public policy focal think-tanks that operate in the country, and none with pervasive public policy impact. Most Nigerians will readily agree that the best minds we have in the nation are in the private sector ad that unfortunately, and it seems that the worst of us in Nigeria have somehow managed to gain a stranglehold on political power (Fabiyi, 2012).

This is why it could be asserted that Nigeria's problems stem from one simple, yet critical issue: the lack of depth and capacity in our public policy space.

Fuel Subsidy Removal Issues in Nigeria

According to Iroh (2011), the issue of removal of oil subsidy has been on the table in Nigeria now for well over four successive governments now, and according to Onyishi *et al* (2012), a flip over from the present economy is the issue of fuel subsidy removal again, which many Nigerians felt very touchy about, hence their disappointment that despite their disapproval of the plan, government went ahead to implement it, hence the vociferous and undaunted attempts in trying to convince Nigerians to buy into the subsidy removal is the claim that the economy may crash if the subsidy is not removed. Proponents of the subsidy removal posit that the subsidy has to go because we need the money to rebuild the economy, while the opponents of the policy argued that there is nothing like subsidy ever existing in Nigeria, and that what was surreptitiously being promoted by government as removal of subsidy was increase of petrol price under a deceptive guise (Onyishi *et al*, 2012). Resultantly, Nigerians got a shocking New Year gift from the Federal Government on January 1st 2012, when they found long queues at the filling stations where petrol was sold above N140 per liter. The gift read 'over with fuel subsidy'.

According to Ovaga (2012) the issue of fuel crisis has become a common phenomenon in Nigeria that is richly endowed with large crude oil deposit and a greater exporter of the God-given commodity hence it is pathetic to observe that no other OPEC member or even countries that does not produce oil, share similar ugly experience with Nigeria (Badmus, 2009). Prior to this situation, there were moments of joy among Nigerians, when the four refineries were working at full capacities. But according to Badmus, the local refineries could not be managed properly and thus, they produce below the installed refining capacities, thereby making it imperative for demand to be met through importation (Ovaga, 2012). The heavy dependency on imported fuels which constituted over 82 percent of the total supply of petroleum products consumed locally invoked protests from different quarters in the country.

Many have described Nigeria's weighty dependency on imported refined petroleum products as undesirable. It is this situation that has led to the introduction of the controversial issue of subsidy in the downstream oil sector; controversy in the sense of the views of both the opponents and the proponents. Today, the difference, which is borne by the government, Afonne (2011) pointed out is caused by eight 'import-induced costs'. Accordingly, these costs have been discovered to be responsible for the high prices of petroleum products in present day Nigeria. The costs include:

(i) The freight, which is the cost of transporting petroleum products from North West Europe to West Africa. Trader's margin of 10 dollars per MT is the major component of the freight cost.

(ii) There exist lithering expenses incurred on the trans-shipment of imported petroleum products from the "mother" vessel into "daughter" vessel. The rate of 28 dollars per day is charged as mother vessel expenses which are based on the allowable 10 days demurrage. In addition, two naira is the shuttle vessel's chattering rate from Lagos offshore to Lagos and 2.50 naira as the rate from offshore Lagos to Port Harcourt.

(iii) There is the NPA charge, which is the cargo due charged by the NPA for use of port facilities. This service attracts 10.50 dollars per MT on the pricing template.

(iv) Included in the import-induced costs is the stock finance, which is the cost of fund for the imported products. This includes the cargo financing based on the international London inter-bank offered rates.

(v) Here, there is the jetty depot, which is the tariff paid for use of facilities at the jetty by the marketers to move products to the storage depots. The current charge is 80 kobo per litre.

(vi) There is current charge of 3 naira per litre for depot operations covering storage charges and other services rendered by the depot owners.

(vii) Landing cost is the cost of imported products delivered into the jetty depots. This comprises all other costs mentioned above.

(viii) The last induced cost is the distribution margins, which amount to 13.20 naira per litre on the template. The components include: retailers (N4.60), transporters (N2.75), dealers' margin (N1.75), Bridging fund (N3.95), and administrative charges (N0.15) [Petroleum Products Pricing Regulatory Agency (PPPRA) (Afonne, 2011).

According to Ovaga (2012), all the eight import-induced costs mentioned above constitute the difference, which the federal government describes presently as fuel subsidy. This, according to Prof. Tam David-West in Afonne (2011), is man-made and would have been eliminated if Nigeria was refining her products locally. In other words, the so-called subsidy of the downstream oil sector will be removed instantly, should the importation of the petroleum products be stopped. Thus, resuscitating and revamping of the country's ailing refineries is the answer to the problem of fuel crisis in Nigeria. Hence the critical questions: what is the capacity production of the ailing refineries and what is the cost of per litre of the locally refined fuel? What is needed for an ailing refinery? What happened to several policies made towards them?

On how the issue of subsidy removal came about, Basil (2012) averred 'no matter how the Nigerian present economic team chooses to shade, equivocate or obfuscate it, International Monetary Fund (IMF) played a significant role, if not an upper hand in the removal of fuel subsidy in the poverty-stricken Nigeria. It is no longer news neither is it a surprise that IMF has been interested in the removal of fuel subsidy since 2009. The evidence to this assertion has been littered everywhere especially in the public domain. British Broadcasting Corporation (BBC) once wrote "The IMF has long urged Nigeria's government to remove the subsidy, which costs a reported \$8bn (£5.2bn) a year." Hence IMF has never stopped to meddle in the internal financial and economic affairs of the country in spite of the impression and double talk it has been making lately.

Nigeria's economic team effort to obfuscate the matter is no longer functional hence New York Times (2009) report, that the International Monetary Fund called the removal of the fuel subsidy "an important first step." The endorsement for the abrupt fuel subsidy removal without adequate palliative measures buttressed that IMF is clueless and at worst indifference on the level of poverty and depravity in Nigeria.

Based on the above assertion, one will also be tempted to aver that the IMF is clueless on the history of the increases in fuel prices in Nigeria; sufficing therefore the historical analysis of fuel price increase in Nigeria.

Nigeria's historical antecedence revealed that in 1973, the Gowon, administration increased fuel price from 6k to 8.45k representing a (40.8%) increase. Three year later, the Murtala regime of 1976 further increased it from 8.45k to 9k, a (0.59%) increase. Just two years later, the Obasanjo's military regime, on October 1, 1978 increased it from 9k to 15.3k representing a whopping (70%) increase. On April 20, 1982, the Shagari led administration moved it upward from15.3k to 20k, a (30.71%) increase. To top the Obasanjo percentage increase record was Babangida, who on March 31 1986 moved the price from 20k to 39.5k, thus representing a (97.5%) increase. Again, he (Babangida), struck on April 10 1988: 39.5k to 42k representing a (6.33%) increase. A year later, he (Babangida), on January 1, 1989 stepped the price up from 42k to 60k meant for Private vehicles, which was later made uniform on December 19, 1989. Subsequently he (Babangida), on March 6, 1991 increased it from 60k to 70k (16.67%). As if the brunt of military government was not scorching enough, the interim civilian government of Shonekan, on 8th November, 1993, broke IBB's record and set a new one when he increased fuel price from 70k to N5 a (614%) increase. That same year, Abacha performed miracle, when on November 22, 1993 when petrol price drops from N5 to N3.25k, a -35% decrease. Regaining consciousness of his deadliest mistake, he (Abacha), on October 2, 1994 increased it from N3.25k to N15 a (361.54%) increase. Again, on October 4, 1994 it dropped from N15 to N11 (-26.67%). Four years later, Abubakar, on December, 20, 1998, moved the price upward from N11 to N25, a 127.27% increase and later on January 6, 1999, allowed it to drop from N25 to N20 (-20%). By 2000, Obasanjo, now a civilian President, on June 1, 2000, gave a 50% increase when the price moved up from N20 to N30 and later on by 8th June, 2000, reduced it to N22 (-10%). But he would go up once more on January 1, 2002 from N22 to N26 a (18.18%) increase. Not done yet, Obasanjo, between June and October, 2003, revisited the issue when he moved it from N26 to N42 (23.08%). Again, on May 29, 2004 from N42 to N50 (19.05%); on August 25, 2004: from N50 to N65 (30%) and finally on May 27, 2007 from N65 N75 representing a (15.38%) increase.

Recognizing how callous, cruel and unpopular the increments on fuel price have been Yar'Adua, in June 2007, reduced it from N75 to N65 (-15.38%). But the all-knowing Jonathan, would not rest until he has his name carved in that archive. So on January 1, 2012 he caused fuel price increases that fluctuated from N65 to between N138 and N250 (112.31 to 284.62%)

To assert that these perennial increases and fluctuation in fuel price has not significantly impacted positively on the economy of Nigeria is an aberration of the truth that governance stands for.

The Role of Nigerian Legislators in the Subsidy Removal Saga

Nigerian legislators have contributed immensely to the underdevelopment of Nigeria says Kolawole (2012). From several quarters, the tendency has been to look at the clueless executive branch of government as the source of our woes. To a large and reasonable extent, that is a correct thing to do because the executive is responsible for policies and the implementation of law and order in the society. Hence the executive runs the day to day machinery of government. But there is the principle of separation of powers and checks and balances. The judiciary serves as a check. But to effectively put the executive in check, however, very active and proactive legislators become paramount. Such legislators put the executive on its toes through oversight functions (Kolawole 2012).

Fundamentally, he averred that in any given democracy, the legislature performs three basic functions: lawmaking, appropriation and oversight of the executive. Perceptibly, the Nigerian legislators make laws, especially the ones that would not upset the applecart. They do a lot of appropriation and carefully jack up the budget to accommodate their own interests. Of course, they do perform oversight functions excellently, as long as the agency or ministry or parastatal they are overseeing would "support" public hearings and give committee members tickets and bundles of dollars to fly to some unknown Republic to attend "capacity-building" conferences. But as a matter of responsibility, the Nigerian constitution empowers the legislators to probe a political and public office holder and remove same from office if found guilty. But this is just on paper as they have gladly surrendered their independence to the executive. Therefore, in more ways than one, the legislators have contributed their own quotas to the underdevelopment of Nigeria. For instance, how can the lawmakers be accepting flight tickets and bales of dollars from the same people they are expected to put in check? How can they be colluding to jack up the budget in exchange for contracts and kick-backs? How can they be sending a list of "requirements" to the same body they want to probe (Kolawole 2012)?

If any anyone is in doubt of the role of the Nigerian legislators in ensuring that Nigerians are denied good governance and thus contribute vehemently to the underdevelopment of Nigeria, an x-ray of their roles in the recent fuel subsidy removal and fund management saga that sought to tear the country into shreds.

Evidently, Abdul-Rahman Abubakar (2011) observed that even laymen are no longer unaware that all is not well with government policy to subsidize the cost of fuel in the country. Since its introduction several decades ago, fuel subsidy has turned out to be a policy that is most shrouded in secrecy and intermittent controversy. Those directly involved in the process of disbursing the subsidy funds have jealously guarded the secret in the scheme from majority of the people. The matter worsened by the fact that most of the country's fuel consumption is now sourced from other countries making it most difficult for independent observers to track. The result is that the majority of stakeholders in the country are left in the dark while some few dubious minds feed fat on the huge allocation for subsidy.

He further stated 'to say that the fuel subsidy has failed to meet the desired objectives it was introduced in the first place is an understatement as the masses that were the primary target have fared worse by the policy hence the whole arrangement of fuel subsidy was a fraud from the onset. There were no adequate mechanisms put in place by government to check corruption. It allowed for easy inflation of the quantity of fuel imported in order to embezzle the difference that is created between actual cost and inflated cost of subsidy. The key indices that will indicate actual cost of subsidy has never been made public. For instance, government has never published documents on the actual quantity of fuel imported, the cost of importation, distribution pattern within the country as well as the actual amount spent to augment the cost of the pump price for the people, hence the tax payers only get to know a certain amount of money declared as subsidy. How it is spent was never explained'.

Accordingly, he further stressed "this has been the practice over the years. At some point, the issue of subsidy comes up when government delays payment and some of the fuel marketers who secured the contract to import caused artificial scarcity in the country". Those marketers who are usually favoured with oil importation contracts are untouchable and sometime hold the economy of the country to ransom by creating artificial scarcity of petroleum products; and as unfortunate as it sounds, Nigeria, one of the seven leading oil producing countries of the world, relies on the importation of petroleum products as the three refineries in the country are producing far below optimal capacity (*Daily Trust*, 2011). There is no will power on the part of the political class to question expenditure on subsidy; and the legislators are looking on without performing their oversight function in checkmating the executives or even performing their constitutional functions.

In the words of Abdul-Rahman Abubakar (2011), to expose what has eluded all Nigerians and perhaps the president, Senator Saraki urged the senate to conduct a comprehensive investigation into management of the fuel subsidy fund which runs into billions of naira. While presenting a motion on the matter, Saraki revealed to the Senate that the federal government has overshot this year's budget on fuel subsidy from the N240 billion provided in the 2011 Appropriation Act to N1.3 trillion as at August 2011. The figure represents an extra-budgetary spending of over N1 trillion representing an increase of about 700 percent. The act is an erosion of the primary role of the Legislature of Appropriation as well as a breach of the 2011 budget law. It is illegal for government to have spent above the budgeted amount without seeking approval from the National Assembly. This is a clear indication of corruption and reckless spending of public fund.

In his presentation, Senator Saraki said, “Fuel subsidy as it is being managed today has become a risk to the entire economy. The implementation of the 2011 Appropriation Act will surely be in trouble waters if a variation of N1.2 trillion arises as a result of the level of expenditure incurred on fuel subsidy so far. “Although N20 billion was set aside for subsidy on a monthly basis in the Appropriation Act, 2011, in August 2011, the total figure expended was N165 billion of which the Nigerian National Petroleum Corporation (NNPC) was N88 billion and the Independent Marketers was N77.7 billion. “In the first three months of the year, both NNPC and the Independent Marketers did not exceed N62 billion monthly but within the last three months, figures have ranged between N150 billion and N186 billion.” He further stated that reports by some prominent foreign economic journals and the Department of Petroleum Resources (DPR), have revealed how volumes of fuel imported into Nigeria is inflated by as much as five folds and then smuggled out and sold at higher prices in neighbouring countries after payment of large sum of money as subsidy is received from government. The allegation explains why the cost of subsidy kept increasing even while consumption remained within the actual projection (Abubakar, 2011). But if Iroh’s (2011) question that “the issue of removal of oil subsidy has been on the table in Nigeria for well over four successive governments now” is anything to go by, the question that should come to mind is how come the fuel subsidy money skyrocketed within the last quarter of 2011 that necessitated its removal? For the purpose of this paper, the accumulation which Saraki explained above is suspicious. Perhaps, that accumulation and high increase was masterminded to serve as alibi for subsidy removal.

Supporting our suspicion, Saraki’s revelation drew suspicion from the Senate. Several senators who spoke wondered how government agencies with many years of experience on the fuel subsidy matter will go ahead to present a budget of N240 billion for the year and end up expending N1.3 trillion by August. This year though, the budget has been grossly inadequate and a variation of up to N1.2 trillion to take care of fuel subsidy is in the offing. The question that this paper asks is what has the Nigerian legislators done since the inception of fuel subsidy before Senator Saraki spoke? Before answering the questions, there are other questions that also require answers: questions that Lawson Omokhodion had asked: The refineries in Nigeria produce some quantity of petrol, what is the cost of that fuel? What of kerosene, called DPK, how much does it cost to produce it in Nigeria and how much is it sold for?

According to Omokhodion (2011), a survey of per litre fuel pump price in both OPEC and non-OPEC economies shows that per litre pump price of petrol in Iran is N58.40k; Kuwait N30.66k; Qatar N32.12k; Saudi Arabia N17.52k; UAE N54.02k; Venezuela N5.84k; Libya N15.95k; Egypt N46.72k; Malaysia N73; Mexico N81.76k; Bahrain N39.42k; Russia N90.52k; USA N108.04 and Indonesia N81.14. As at August 15, 2011 based on its pricing template Petroleum Pricing Regulatory Agency (PPPRA) the landing cost of a litre of petrol in Nigeria is N129.21; the margin for transporters and marketers is N15.49; the expected pump price ought to be

N144.70 per litre instead of the N65 per litre that is charged. This means a so-called subsidy of N79.70 assumed by government on every litre of petrol sold in Nigeria. All the countries mentioned above own functioning and efficient refineries to produce petrol, diesel and kerosene for their domestic economy. Nigerian refineries also produce some quantity of petrol; the PPRA, should tell Nigerian what the per litre cost of locally refined petrol is in Nigeria?

Hence, he observed that as a people, we should quintessentially introduce rigours in our public life so that transparency and accountability can be promoted. This is the only way of ensuring good governance, necessitated by proactive legislature. For instance, if the true selling price of per litre of imported fuel in Nigeria is N144.70 and the government has not found it necessary to invest in refineries who should be blamed and what are the Nigerian legislators legislating? Let us loosely examine the cost components of imported petrol. This cross examination is necessarily important because this imported fuel is round-tripped hence the original crude is taken from the shores of Nigeria and sold to dedicated refineries; and when the crude oil is loaded into the ships in Nigeria, there are huge handling charges at the port, plus insurance and haulage charges to cover the cargo as it sails to the foreign refineries, port charges as it enters into the foreign countries and production cost. Subsequently, after the refining has been done, the refined petrol now is sold to big oil traders who now sell to Nigerian government big boys and the fuel is then loaded onto ships bound for Nigeria and the cost builds-up again viz: port charges in the host country, excise duties, and then haulage and insurance on the vessel and its content to Lagos plus port charges at destination, demurrage and security charges; by implication, the cost of locally refined petrol is not the same as imported fuel (Omokhodion, 2011).

This paper is of the opinion that the Nigerian legislators are aware, if not, they would have asked. The matter is beyond the existence of a fuel cartel; Cartel which the senate president David Mark has wholesomely blamed for our woes. But many has queried the sense in the senate taking back sit while the House of Representative takes the front sit on the issue of fuel subsidy removal and the subsequent investigation of subsidy fund management. For instance, on December 2011, President Goodluck Jonathan submitted 2012 budget to National Assembly and fuel subsidy was absent. The senate did nothing. Not even to question that which Nigerians questioned- the upkeep costs in the Presidency and an unprecedented 930 billion Naira security budget. Again, while the Senators were busy legislating, on January 1st 2012, President Goodluck Jonathan announced the removal of fuel subsidy; and prices rise from N65 to around Government regulatory agency PPPRA "recommended" price ceiling of N141. In many parts of Nigeria, the cost exceeds the limit. While on 2nd January 2012, First OccupyNigeria demonstrations in Abuja and Lagos started, on 3rd January 2012, Nigerian youths kick off an OccupyNigeria movement in different States and on 5th January, 2012, Nigerian Labour Congress (NLC) announced "mother of all strikes", but on the 6th January 2012, the Upper House meet in emergency sessions. No resolution was made public on the way forward.

Following this trend, Nwogu (2012) wrote "the Senate has once again come under the scrutiny of Nigerians, most of whom say they are disappointed that the upper house has refused to take a firm stand on the removal of fuel subsidy", hence on 8th January 2012, the House of Representatives asked President Jonathan to reverse subsidy removal. One would argue that they needed only the backing of the upper House to persuade the President to reverse his decision or face impeachment as he is not above the law of the land. But they were unable to take a firm stand even when it was obvious that the President's action was unlawful since the 2011 budget which provided for subsidy will end on March 31. it is scholarly correct to aver that it was insensitive for Jonathan to have withdrawn the subsidy even when the nation was still mourning many people that died during the Boko Haram Christmas attack on worshippers at Madalla Catholic Church in Niger State and other worshippers in Jos, Plateau and Yobe states for which he encouraged Nigerian to live with Boko Haram which has come to stay. Boko Haram, another public policy issue that is denying the country the fruits of good governance.

Thus, from several quarters, the Senate has been enthused for not haven quickly intervened just as the House of the Representatives did before the commencement of the strike. For a legal icon, Prof. Itse Sagay, the action of the Senate portrayed them as being insensitive to the yearnings of Nigerians and I am not surprised that the Senate did not take an immediate stand on the fuel subsidy because of two reasons: the Senate has more than two-third of its members from the Peoples Democratic Party and there is a very close knit relationship between the Senate leadership and the President so they will not give him an objective advice. It is just all opportunism and self-service, because the Senate does not have the interest of Nigerians at heart. "They are pursuing personal interest and I am sure the President of the Senate, David Mark is positioning himself as the next President come 2015 so he has to play his game right so that he does not suffer a Sylva phenomenon" (Sagay, 2012).

On the fuel subsidy fund management and mismanagement, while the Upper House was legislating, the Lower House was investigating; the investigation that led the Deputy Speaker of the House of Representatives, Mr. Emeka Ihedioha, coming under fire from members for allegedly shielding the Minister of Petroleum Resources, Mrs. Diezani Alison-Madueke, from prosecution, as reported by John Ameh (2012), hence the uproar in the House coming after Ihedioha overruled a motion demanding the minister's resignation over her role in the N1.07tn fuel subsidy scam, when the House resumed consideration of the fuel subsidy probe report, and a member from Akwa Ibom State, Mr. Robinson Uwak, raised a point of order on privilege and drew the attention of the House to public opinion suggesting that lawmakers were 'shielding' Alison-Madueke from prosecution.

Uwak said, "The people of my constituency and Nigerians out there have been bombarding me with calls. "They have accused the House of shielding the minister. I hereby call for the resignation of the Minister of Petroleum Resources." The lawmaker's demand was hinged on a key recommendation of the report, which directed that "the management and board of the NNPC should be completely overhauled" for their role in the scam. Alison-Madueke, the chairman of the Board of the NNPC, he argued, should resign rather than being the one to preside over the overhauling of the NNPC as instructed by the President. But Ihedioha intervened by asking the Deputy Leader of the House, Mr. Leo Ogor, to respond to the motion and

Ogor told the House that Uwak was jumping the gun, adding that at the appropriate time, the House would address the issue of the minister. In his (Ogor) words, “We are guided by House rules and decisions will be taken at the appropriate time. We should accord respect to due process”.

As unpopular as his stand was, he had hardly completed his statement when lawmakers shouted him down. They insisted that Uwak’s motion should be heard, but the deputy speaker abruptly overruled them. Ihedioha’s ruling infuriated the majority of the 245 members who attended the session, prompting shouts of “no”, “no”, “noooo!” but he, ignored the uproar (John Ameh, 2012). What an excellent show of legislation on the side of the Deputy Speaker of the House of Representative. This shows that even when some legislators are diligent and sincere, the power that be still overwhelms and silences them. What an excellent show of shame on the role of the Nigerian legislature in ensuring good governance in Nigeria.

Policy Options

Having exhaustively x-rayed the role the Nigerian legislators in the promotion of good governance in Nigeria vis-à-vis the fuel subsidy removal issue; we thus recommend the following-

i) That the Nigerian legislators should eschew every form of fear or favor that may come in between them and their constitutional responsibility- policy-making, and its oversight function of checkmating the executive arm of government, by implication the presidency from implementing policies that are not in the favour of the Nigerian masses such as the fuel subsidy removal policy.
ii) That the executive arm of government in Nigeria who is part of the public policy-making body should awake to the project Nigeria and always pay attention to the yearnings of the Nigerian populace instead of insisting on what he thought might be in the best interest of Nigerians (a paternalistic approach) – hence participatory and modern democracy.
iii) That the Nigerian masses should not lose sight of the price- a total people-oriented democracy that promises and delivers the goods imbedded in good governance. They should demonstrate/protest when necessary at least to register their disapproval or otherwise of a given policy by the government such as the fuel subsidy removal policy. Again, those in information dissemination should continue the good work as “an uninformed man is a deformed man”.
iv) Lastly, that even when people have espoused revolution as the only way out, we recommend an intelligent revolution because of the assumption that “an educated and enlightened citizenry is the easiest to govern but most difficult to manipulate.”

Conclusion

Relying on the statement of the former Minister of Petroleum, Professor Tam David West, that oil subsidy in Nigeria was all lie and fraud, hence West observed that oil subsidy in Nigeria is fiction, it doesn’t exist and it is a fraud. According to him, during Buhari’s time, we had three refineries. Whenever there was shortage of oil, we embarked on offshore processing. If at a time, the production of oil couldn't satisfy our needs, we selected oil companies like Shell and others that we would give crude oil to refine abroad, sell at foreign exchange and pay to our account. We got quantum of barrels of crude oil and gave to these companies and after they might have refined it, let's say they got one million litres and we needed only 200 litres, they would give us the quantity we wanted and sell the remaining and give us foreign exchange. We only took our fuel back, never imported fuel" (Iroh, 2011). Therefore fuel subsidy removal in Nigeria is a sham which the Nigerian legislators have allowed to on for a long time without paying heed to the course of good governance in the country through viable and effective public policy making such as building of more refineries to serve the nation and resuscitating the ailing four, and ensuring that the four refineries are held accountable so that at least, Nigerians will know how much litres of fuel they refine in a day as against the daily consumption capacity of the nation. At least, good governance is about people and giving them what they desire; a return to N65 pump price per litre and enhanced development which include massive reduction of unemployment, increase in electric power supply, enhanced road networks and cheaper communication networks, etc should be the watchword of our legislators.

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