DEMOCRACY, OIL AND GOVERNANCE IN NIGERIA

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Abstract

The Nigerian State has come of age in democratic governance. However, the politics of oil money dominates the political scene, attracting politicians into political parties to be elected into the corridors of power. Party politics as against governance, took preeminence, while crude oil replaced the agricultural products such as cocoa, peanuts, cotton, palm oil, among others. The revenue from the oil is misappropriated and mismanaged, visible, with the deficiency in socio-economic infrastructures including education, housing, security and employment. In fact, majority of Nigerians live in poverty. This paper argues that the revenue from oil money declined, and the government resulted into importing Premium Motor Spirit (PMS) and other subsidiaries because, the four national refineries became moribund. Also, that the politics and oil rent-seeking that plagued the subsidy scheme on PMS, which only benefitted the few, is responsible for its removal. This study relied on secondary data. The paper concludes that the removal of oil subsidy on petrol is a right decision by the government of President Ahmed Bola Tinubu. Afterall, all the tiers of government now receive more allocation from the Federation Account unlike what was allocated to them in the past. Also, that the monthly revenue to these levels of government should be judiciously appropriated, and channeled into socio-economic and infrastructure development. Although, the PMS subsidy removal is not without challenges but it will benefit all at the long run.

Keywords: Democracy; Oil; Governance; Nigeria; Tiers of Government; Premium Motor Spirit.

Introduction

In 1999 when Nigeria returned to civil rule, it was with high hopes and expectations that the elected representatives into the positions of authority aimed to correct misgovernance, maladministration, mismanagement, which the military regimes beginning in 1985 had plagued the people and the country. When the 'last' military regime of General Abudulsalami Abubakar deliberately and without negotiations handed political power to the former Head of State, General Olusegun Obasanjo in May 29, 1999, the citizens were greatly ecstatic and expectant (Akinboye & Anifowose, 2015; Iroanusi, 2000; Enefe, 2008).

Good governance is accelerated in different countries largely because the elected representatives of the people are all-ears-opened, and all-eyes-opened to the yearnings and complaints of the people (Kruks-Wisner, 2021). This by and large, makes democratic governance worthwhile. The utility of democracy ensued in people governance with the elected representatives saddled with the responsibilities of governance for people interest has settled the problem of governance and sustenance of democratic rule. In many Third World countries, governance crises have influenced populace demonstrations, civil unrest, and national strikes, culminating in political uncertainties and in some instances led to change of political order and democratic government. This is largely because new policies are made without consultation, solution or palliatives insight to sustain the majority of the population. have (Yates, 2022; Williams, 2021; Smith, 2022). The announcements of government policy without solution insights to sustain the citizenry, in most cases have led to overthrow of democratic and non-democratic governments. A nondemocratic order has not only increased the challenges of governance but quantumly reflected on the abuse of fundamental human rights through the constitutional suspension cum abolition of democratic institutions. Yet, the clamor for popular rule hinged on liberal democracy has led to opening of democratic space for people to participate in decision making process through the platform of political parties as the avenue which make the citizens to elect their representatives into position of governance (Shively, 2008). It is expected that when the majority of the people purposively elect their representatives into corridors of power, the elected representatives ought to consult those who have given them the mandate before any policy is introduced especially in a poverty ridden polity. On the contrary, however, arbitrary policy without consultation seems to be the norm and tenet of democracy in the less developed democracies. This is followed with lots of socio-economic and political consequences (Fagbemi et al 2021).

Like other developing democracies in the world, Nigeria democratic experiment since 1999 have witnessed governance crisis. Nigerian citizens and other nationals in the country have woken to government announcements of new policies on radio, television, or news tabloids government without the government putting into place solutions or mechanisms to cushion the effects of the decisions taken. One such occasions is the announcement of the subsidy removal on PMS or petrol in May 2023, when the incoming government led by President Ahmed Bola Tinubu during his inauguration speech announced that the subsidy regime is gone. This sudden decision attracted condemnation from many Nigerians who had suffered untold hardship under the previous governments, denouncing the government’s sudden decision as unexpected. However, the decision to remove oil subsidy, though, touted to be long overdue, made no provisions to assuage the discomfort that would follow, alongside the hardships and precarious situation of the average Nigerians having survived the policy of Naira ‘recoloring’. Indeed, the subsidy removal has generated untold calamities for the majority of men and women, young and old, students, formal and informal workers alike. The PMS is tied to everything in Nigeria. It affected the transportation system, buying and selling, housing, healthcare, school fees among others. As demonstrated elsewhere with pictorial evidences (Ogunwa, 2012), the PMS price adjustment by the then

President Goodluck Jonathan administration did throw many Nigerians into the capital cities, demanding unconditional reversal to N65.00 per litter from N141.00. What followed the two weeks protests and strikes across the country was severe brutalization and killings of innocent Nigerians who are only demanding good governance from their elected representatives (Ogunwa, 2012; Keremoglu et al, 2022). Now that the era of subsidy regime is gone, what is the socio-economic implication on citizenry? Will the subsidy removal bring in good governance for the people? The remaining parts of the paper include Britain and Nigerian state, politics, oil and governance in Nigeria and conclusion.

Literature Review: Politics and Oil

We have highlighted that the creation of the Nigerian State was carried out by Lord Lugard under the supervision of the British government. However, the foundations for proper annexation, domination and subjugation as well as the administration were laid to meet the aspiration and interests of the colonial government. All the parameters put in place for colonization and integration of Nigeria into the International Capitalist System including culture, economy and language were structured towards imperialism.

Following the industrial revolution between 1750 and 1845, completely transformed the European nations into a society that has attained the stage of full-blown capitalism, because production expanded as a result of the development of productive forces, and noticeable advancement in technologies led to increase in industries. The development of industries made the western capitalist societies so strong that they needed not only to search for raw materials to feed their industries but also markets outside their borders. This made European countries move to the developing countries in Asia, Latin America, and Africa to capture them. Having secured those countries of the less developed continents, altercation degenerated into conflict between the European powers over the newly conquered nations which led to the Berlin Conference of 1884/85 where the conflicts were settled through the political partition or division of Africa "to pacify some of the European countries or to put an end to the incessant in-fighting among them" (Adeniran, 1983, p. 194). After the Berlin Conference and the partitioning, the European powers formally came back to possess their 'possession' as settled at the Conference.

With this development, the stage was now set for European nations through their capitalists to formally lay claim to their colonies with the aim to possess cultural, social, political, economic and psychological domination. With colonization came domination of the productive sectors of the economies of these colonial territories. For instance, the colonial government administration not only disrupted domestic trades and the existing trade networks between the people, they in fact denied them industrial development by discouraging local production and compelled the indigenous people to diversify to primary production, primary commodities in other to feed their own industries in the metropolises. The local industries were so choked as a result of unequal competition with the more developed countries because they (metropolitan) pumped in large quantities of their finished products into the colonies. The local industries lost the internal stimuli and impetus for growth and development because the agricultural production heavily depended on the demands and needs of the international market hence the local farmers have been forced and compelled to produce for export. The introduction of the colonial type of economy made the local farmers to be underpaid because what they get for local production or commodities exported became cheaper than any available substitute in the international market. The establishment of the Bank of British for West Africa in 1894 influenced introduction of money-economy, which made the European currencies became the medium of exchange, credit system and removal of pre-colonial currencies.

All these changes in the economies of the colonies consequently led to the integration of African States and her economies into the World Capitalism system with socio-economic and political consequences, including the creation of an unviable and hegemonic state; establishment of a weak and unproductive ruling class; dependency of colonies on the production of narrow range of cash crops; economies for foreign exchange earnings; the vulnerability of price fluctuation and the domination of the economies by the multinational corporations; reliance and dependency on foreign exports and foreign loan to executive development projects; low level of technology; and the location of African economy at the periphery of the international capitalist system (Babawale, 2006). Coleman (1958, p. 54) has observed that "in order to further British economic interests in Nigeria, it was necessary to establish political control, and construct communications, institute a common currency, encourage African production of tropical export crops, and finally to stimulate a desire for European manufactured goods. Thus, the structure of the Nigerian State towards national and international bourgeoisie continued after political independence in 1960. For decades, the British debased the economy and exploited it, leaving Nigeria in 1960 a spatially distorted underdeveloped and peripheral capitalist country in the international division of labour.

With political independence attained by Nigeria, and the political elites at large in charge of governance, the postcolonial states continued to be a mere caricature of the colonial predecessors because those who got the political power also performed the same functions as did by the past colonial masters. At independence, it is expected that the ruling elite should work towards eradication of different contours and impediments to governance matter, but as Ake (1996, p. 3) has observed "it continued to be totalistic in scope, constituting a statist economy". Indeed, attention to politics divided the ruling elites as they engaged and concentrated on how to win and retain political power. "As they pulled apart, they placed more value on capturing political power for themselves and grew increasingly fearful about what seemed to them to be the grave consequences of losing to their rivals in the competition for the control of state power" (Ake, 1996, p. 5). Put this way, "the premium on political power raised higher and higher and with it the intensity of political competition and its domination by efficiency norms". The attention to politics became the preoccupation of the rulings because they appeal to national, ethnic, communal even religious loyalties, and introduced political discords, divisions among the people during elections. Political power was deadly sought by all means and maintained by all means possible. Even, Gavin (1980, p. 47) observes that the attitudes of the politicians to politics was ruthless and violent, and politics means a do or die occupation "… the ethnics of business penetrated politics, the ethics of politics penetrate business, the ethics of the gangster penetrated both". Politics as a business for politicians eroded the quest for good governance. The citizens that voted for them to assume the responsibility of governance became object of poverty (Redmond & Nasir, 2020; Lotfalipour & Salehnia, 2022; Yates, 2022).

Perhaps, at independence, the politicians who took over government lacked the ingredients for national remedies and displayed no commitment to the development of their domestic environment which led to alienation of the people from the Nigerian state (Omeje, 2021). For them, the country is worth nothing and the people are of no value, thus, should be suffered, cheated, abused and exploited. These leaders in government were carefully selected into corridors of power because they could be trusted by the colonial masters to share their values and be attentive to their interests at home and abroad. The acquisition of state power remained personalized as they were not interested in transforming the economy but used the state power for personal accumulation (Williams 2021). The economic marginalization of this class actually increased the quest for political power to compensate for or "explore the one leverage they had: control of state power to strengthen their material base" and the abandonment of socio-economic responsibility because of "the calculus of office" (Ake, 1996, p. 6, 7). He went further to describe the quest for power by the few politicians that political power was everything, it was not only the access to wealth but also the means to security within and outside and serve as the only guarantor of their general well-being. Their well-being is more paramount and uncompromised, without attention to problem of development and the general public at large. As a result of power struggle, the nation's economy therefore, remained underdeveloped despite the appellation of Nigeria as the giant of Africa, instead, becoming a "*sick* giant" (Mundt, Aborisade & LeVan, 2008, p. 661), which cannot cart a part of honour, and development for her citizens.

The country's dependence on local raw materials across the geopolitical zones continued until the discovery of the crude in 1958 (Amuwo, Agbaje, Suberu, & Herault, 2004). This discovery which seems to be a blessing at a time turned to be a curse at another time (Adams, Adams, Ullah, Ullah, 2019; Akins, 1973; Akpan & Umoh, 2021; Colgan, 2014; Omeje, 2021; Smith, 2022). And as Mundt, Aborisade and LeVan (2008, p. 669) observe "in the preceding decade, Nigeria had become dependent on oil revenues for imports and large-scale development projects." The oil dependence was superimposed on other agricultural projects and neglected areas which once served the entire country financially as well as foreign exchange earnings. No thanks to oil boom in 1970s, because no sooner the oil boom, the country's economy was distorted by the great disparity of value between petroleum and the traditional agricultural products, while the young workers including the school leavers abandoned their farms and villages and trooped to the cities for the oil fields to pursue economic career which is the oil money.

However, the discovery of crude oil in commercial quantities (Obi, 2024) shifted the attention of the ruling elites from cash crops to oil and by the 1970s crude oil had become the major foreign exchange earnings. The reason for this according to Falola and Ihonvbere (1985) is that Nigeria has historically lacked a bourgeoisie which has an accumulative base in agriculture. The nature of the Nigerian state was easily manipulated to shift its area of interest from the rural areas and agriculture to oil sector. In addition, Nigeria's membership at OPEC increased state participation and ownership of the oil industry. The implication of these is that Nigeria only rely on oil rents and became a dependent peripheral capitalist economy at the level of : exporting oil to consuming countries and collecting rents for same; higher payments in real terms for imports from developed economies; investments in other economies, facilitated by oil rents already collected; holding of reserves in western banks and financial institutions; massive food imports; and finally, imports to meet defense requirements (Falola & Ihonvbere, 1985; Omeje, 2021; Smith, 2022; Lotfalipour & Salehnia, 2022).

The country's dependence on oil at the peril of cash crops and agricultural produce informed the government's decision to embark on massive food-import from European societies to feed Nigerians. Most of the items imported such as rice, meat, cereals, sugar and wheat, were hitherto produced in Nigeria before the oil boom. Consequently, "oil revenue is spent on the importation of various consumer goods, capital goods, rice and other agricultural produce which could be cultivated in Nigeria. Thus, we earned our oil revenue only use it to keep foreign industries going" (Amu, 1982). The mismanagement of oil revenues continued to grow in the country; with the import bill and the quest for oil money, many nationals came to Nigeria to take advantage of the incompetent party (NPN) in power to sell services of good, bad or indifferent quality to Nigerians (Freund 1984 cited in Falola & Ihonvbere, 1985).

Under the Shagari administration, oil as the basis of sustenance in Nigeria affected the life style of Nigerian politicians, particularly the members of NPN, and encouraged opposition party members to join them if they wanted to look as rosy and robust as they (NPN) members were. Government contracts were over-invoiced on the housing units and the steel-mill company because grandiose projects became veritable gold mines and conduit pipes for contractors to make millions of monies. Corruption in the second Republic showed that payments were made to workers who were indeed ghost workers in government ministries and parastatals. Also, there was importation of fake products for foreign exchange, stealing of government properties and illegal transfer of money to private accounts. The government officials vis-à-vis executive and legislative houses were not left out in corruption spiral because they fixed the salaries, allowances and others as they wanted. The country that had oil in the 1970s, shortly after the enthronement of democracy in 1979 became broke and the Shagari government had to beg all over the world for loans. Shagari needed the loans, not for development but to mediate intra-class rivalries, remain in power, pay political debts and avert total economic disaster" (Falola & Ihonvbere, 1985, p. 113). The oil boom and quantum resources or money available in country, as well as the foreign reserves, were actually resources that should be used for the betterment of Nigeria and her people. Nevertheless, the resources were wasted and mismanaged, as they were used to carter to the local bourgeoisies at the expense of the masses (Williams, 2021; Yates, 2022; Dogan, Majeed & Luni, 2021).

The discovery of oil has led to the abandonment of agricultural activities which Nigerians were hitherto known for, and which accounted for over eight percent of all federal revenues and 90 percent of all foreign exchange earnings (Obi, 2004). This development has made many Nigerians embark on the search for white-collar employment in the government establishments. As Obi (2004, p. 265) has said that the reliance on the oil wealth has spawned a political culture with emphasis on "how to share the presidential wealth, rather than how to engage in the production of renewable and viable alternatives. As such, other sources of revenue were neglected in the rush for oil resources at the center. …the economy did not undergo any real structural development. …while the economy remained dependent on a single commodity whose fortunes were externally determined". The politics of oil rent is linked to subsidy; the idea that every litre of Premium Motor Spirit (PMS) bought by Nigerians informed the issue of subsidy payment by the Nigerian government is not clear to many Nigerians. Some have argued that is subsidy actually being paid by the government, while others have denied any subsidy payment by the government (National Mirror, January 9, 2013).

Before the colonial penetration and formal colonialism, the country paraded different agricultural products such as cocoa, palm oil, timber, rubber, cattle, hides and skins, cotton, and peanuts, "Nigeria's incorporation into the capitalist market as a junior partner, which started with the supply of slaves, continued unaltered with the supply of commodities like palm oil, cocoa, groundnut, cotton, among others" (Babawale, 2006, p. 2). The volatile prices of raw materials in the world capital system crippled the finance needed for developmental projects (Falola & Ihonvbere, 1985). These raw materials actually attracted the British imperialist to colonize Nigeria. The production and exportation of the agricultural commodities especially the palm oil and cocoa launched the country into the global system, at the same time led to a dependence on commodity markets in the industrial countries for its foreign exchange earnings or what Ake called the "pass on the responsibility for development to foreign patrons" (1996, p. 7).

The popularity of the ruling elite's mismanagement, misgovernance and maladministration of the country influenced the Nigerian military to forcefully intervene in politics and remove of the elected government. Although, the military in politics is aberration, notwithstanding, it seemed to have restructured the polity as well as the misfortunes that have bedeviled the country. Even at that, the military regimes contributed to the fall of the federalism in the country through the centralization of power as well as the resources hitherto controlled by the regional government under the purview of the federal government. As Asobie (1998, p. 18) remarked that:

> First, the federal government has, beginning from 1963, but especially since 1976, demonstrated an increased capacity to alter unilaterally and in its own favour the existing distribution of power between it and the regional governments and, indeed, among the various levels of government. Second, there has been an increasing accretion to the federal government of functions previously allocated to the regional (or states) governments. Third, the resources – coercive,

> bureaucratic, ideological and financial directly available to the component units (regions or states) for carrying out their constitutional functions have steadily diminished in range and quantum while those at the disposal of the federal government have increased.

This thought is needed to be quoted at length with aim to demonstrate the reason d'état and why both national and state governments have abandoned country's advantage of agricultural resources for the "petrol-naira" because:

> The nature of oil wealth spawned a political culture in which emphasis was on how to share the providential wealth, rather than how to engage in the production of renewable and viable alternatives. As such, other sources of revenue were neglected in the rush for oil resources at the centre, thus giving the federal government a lot of leverage, which unfortunately was channeled into unproductive pursuits" (Obi, 2004, p. 265).

Discussion – Oil and implication on Governance in Nigeria

Indeed, the oil money has diverted the attention of government officials from looking inward to channel national resources apart from oil towards the nation's development. Oil revenue has influenced the struggle for federal power and contradictions between the federal government and the other tiers of government; federal and state governments; federal government and oil-producing states, oil-producing states and the non-oil producing states; federal government and the oil minorities and oil minorities and the multinationals (Obi, 2004). This is not limited to these levels of government and organizations alone but reflected in the quest for struggle for power at the centre because "… with the advent of oil the other tiers of government have lost the power over national resources to the federal government" (Obi, 2004, p. 268). The control of national resources by the federal government has put the subnational governments into a precarious situation and hindered them not to generate enough revenue to take care of their people. This has led to severe consequences and the inability of the Nigerian state to leave up to the expectations of meeting the needs of the teeming population.

The reliance on oil as the avenue for national income influenced the national government into fixing the price of Petrol and its other subsidiaries products beginning from 1970s after the promulgation of the Price Control Act. While this "is noble, its administration in Nigeria has been plagued with serious allegations of corruption and mismanagement" (PWC, 2023, p. 2). Since then, the price of PMS in Nigerian market has continued to rise to unimaginable proportions. The country's owned oil refineries have struggled to meet the demands of the people, leaving the government of the federation with the choice to export crude oil, then import enough PMS for the use of Nigerians. Even with the policy of deregulation of oil industry and despite granting licenses to private organizations to build refineries and compliment the ineffectiveness and inefficiency of NNPC, perhaps the moribund government refineries, there was no single private refinery that comes on board to refine PMS, diesel among others. According to African Renewal (2023, p. 3), the twenty licensed private sector corporations approved to build refineries “chose not to build because the subsidies in effect and price controls, might have prevent them from recouping their investment.

The continued exportation of crude oil and importation of refined products from the crude oil such as PMS, Diesel, Kerosene, among others into the country has brought colossal loss to the Nigerian economy and affected the betterment of Nigerian citizens. “Despite being the largest country in Africa and the sixth largest oil producing country in the world, successive governments of Nigeria have been unable to use the oil wealth to significantly reduce poverty, provide basic social and economic services her citizens need” (Obasi, Ezenkwa, Onwa & Nwogbaga, 2017, p. 52-53). Tinubu in his maiden address to Nigerians on Monday May 29, 2023 announced the fuel subsidy removal, this (subsidy removal) is the decision we must bear to save our country from going under and take our resources away from the stranglehold of a few unpatriotic elements” (Tinubu quoted in Africa Renewal (2023, p. 3). According to him, the subsidy on oil has to go for the betterment of Nigerians because the beneficiaries of oil subsidy are those selected few “the subsidy costing trillions annually, favoured a selected few and posed a threat to economic fairness and democratic governance” and the imperative is “to fight economic imbalances, multiple exchange rates and illicit money accumulation” (Tinubu quoted in Onafowokan, 2024, https://www.vanguardngr.com/2024/01/months-after-fuel-subsidy-removal-in-nigeria-so-far-how good/).

PWC (2023) corroborated the position of President Tinubu further that the statistics from the World Bank shows that Nigeria’s total revenue in 2000 was USD10.8 billion, while in 2010, it increased to USD67.9 billion, and government spent more than USD30 billion on fuel subsidies in less than 20 years. This has greatly influenced decline in infrastructures such as education, health and defense. And yet, the government in 2022 borrowed N1 trillion to finance fuel subsidy regime. The cankerworm or parasite bedeviling the national economy, that is, the oil subsidy is a challenge that has confronted political leadership in the country. As Olisah (2020) remarks, it is a problem which “over the past 30 years, the Nigerian government has made several attempts to remove the petroleum subsidy” (quoted in Yakubu, Abdullahi, Maijama & Musa, 2023, p. 363).

The subsidy removal, although a big challenge to Nigeria, is a problem to Nigerians especially the struggling population who suffers low wages and income, lack of infrastructure including housing, transportation, and electricity and communication system. The removal triggered unprecedented increase in the price of PMS, which affected transportation, cost of living, buying and selling, costing of housing and light, school fees, etc. Indeed, the PMS issue is at the center of the economy and has made the economy static, moribund and crawling (Ake, 1996, p. 3). As a result, there is inflation in the country “running at nearly 30%, with cost of food, a big share of many people’s budget, rising even faster at 35.4%, while the cost of imported goods has skyrocketed as the Nigerian currency plummets” (Ademuwagun, 2024, https://www.ft.com/content/29752a06-adea-4175-b278-22e0632c375a). Although, the removal of PMS subsidy has contributed to poverty, Nigerians must pay for the failure of the past Nigerian government officials to do the needful. However, the current government that is, Tinubu administration under the umbrella of All Progressives Congress "must urgently put in place measures to protect the rights of people most affected by the removal of the fuel subsidies and prioritize addressing widespread hunger, higher unemployment and the rapidly falling standard of living" (Sanusi, 2023, https://www.amnesty.org/en/latest/news/2023/06/nigeria-remove-fuel-subsidy-exacerbate-po/).

The consequences of subsidy removal have not benefitted the Nigerian populace, even though it was expected to increase government socio-economic and political responsibilities. This manifests in the declined access to basic amenities, education, motorable roads, health care system and increased poverty level and giving the rising poverty levels in country, its declined "standard of living, increase impoverished segments of the population, cost of transportation, food and other essential goods and services" (Yakubu, Abdullahi, Maijama & Musa, 2023, p. 362). No doubt, the challenges of PMS removal are enormous and challenging in the sense that "the fuel subsidy removal is a bitter pill for 99% of Nigerians, who are struggling to cope with the economic recession and security challenges in the country. The policy has exposed the deep-rooted problems and structural imbalances in the Nigerian economy, which is heavily dependent on oil revenue and imports. It has also put to test the trust and the confidence of the people in the government …" (Rabiu, 2023, https://www.premiumtimesng.com/opinion/650912-fuel-subsidy-removal-still-a-very-bitter-pill-for-nigerians-by-adamu-rabiu.html?tztc=1).

The fact that Nigerians have not trooped to the streets and major roads to protest the subsidy removal on oil unlike in 2012 when Jonathan sharply removed the subsidy suggests that the people trust the current administration under the President Tinubu by which the revenue will be spent for infrastructures, social welfare, and economic diversification which will lead to national prosperity and development. Even, the president has observed that "in a little over two months, we have saved over a trillion Naira that would have been squandered on the unproductive fuel subsidy which only benefited smugglers and fraudsters" (quoted in Onuah, 2023, https://www.reuters.com/world/africa/nigeria-saved-132-bln-two-months-after-fuel-subsidy-removal-tinubu-2023-07-31/). Although, there is hardship in the land as a result of subsidy removal, however, Nigerians daily consumption has reduced significantly from 66m to 40m. The Vanguard Newspaper reported that the N3.92 trillion set aside for petrol subsidy for 30 months period between January 2020 and June 2022 over past the combined budgets for the Education and Defense Ministries respectively. The federal government spent between 2006-2018 humongous sum of over N10 trillion on PMS, between 2021-2022 N5.82 trillion and propose to spend the sum of N3.36 trillion for 6 months only in 2023 (Abayomi, 2023, https://www.vanguardngr.com/2023/06/consequences-of-fuel-subsidy-removal-on-nigerias-balance-of-trade/).

The pains being suffered by the people following the removal of PMS, the National Bureau of Statistics (2023) reported that the country's CPI increased to 22.41% in May

2023 affecting essential commodities like palm oil, groundnut oil, yam, bread, cereals, fish, meat and beverages (cited in MPRA, 2023). This is an indication of inflationary trends in goods and services, food and building items. It also impacted on the small and medium enterprises across the country. Babalola and Salau (2020) reported that the subsidy removal contributed immensely to inflation, fluctuations on exchange rate, economy and governmental fiscal policies "the removal of fuel subsidy in Nigeria in 2023 has triggered a profound shift with far-reaching implications across economic, social, and environmental spheres" (quoted in Evans, Nwaogwugwu, Vincent, Wale-Awe, Mesagan & Ojapinwa, 2023, p. 2). However, in order to address the effect of PMS subsidy removal on the people, the federal government has approved N500 billion, and N100 billion to acquire 3,000 units of 20-seater CNG-fuelled buses; N200 billion to boost agriculture production; N75 billion for manufacturers; and N125 billion for micro, small and medium-sized enterprises and informal sector; the government also approved N185 billion as incentives for the subnational government; the student loan scheme and other programmes got N1 trillion; the federal workers were allocated N315 billion at N35,000.00 per worker for a period of six months; 15 million households got the sum of N1.13 trillion at N25,000.00 per month for a period of three months; Nigerian federal law-makers got N70 billion; while a loan facility to 1.5 million market women received N75 billion (Jaiyeola, 2023, https://punchng.com/fg-mayspend-n-3-27tn-on-pallaitives-loans).

These and other palliatives are meant to reduce the agony experienced by Nigerians and the effect on food production. "our plan to support cultivation of 500,000 hectares of farmland and all-year-round farming practice remain on course" and N200 billion out of the N500 billion approved by the National Assembly will be disbursed as follows: our administration will invest N50 billion each to cultivate 150,000 hectares of rice and maize, N50 billon each will also be earmarked to cultivate 100,000 hectares of wheat and cassava" (Jaiyeola, 2023, https:wwwhttps://punchng.com/fg-mayspend-n-3-27tn-on-pallaitives-loans). In addition, under the Tinubu led-administration the presidency has approved upward review of salaries of Nigerian workers across board. The Vanguard Newspapers (2024) reported that there is increase between 25% and 35% in salary of civil servants with following salary structures: the Consolidated University Academic Salary Structure (CONUASS) and Consolidated Tertiary Institutions Salary Structure (CONTISS) for universities; Consolidated Polytechnics and Colleges of Education Academic Staff Salary Structure (CONPCASSS) and Consolidated Tertiary Education Institution Salary Structure (CONTEDISS); Consolidated Medical Salary Structure (CONMESS) and Consolidated Health Sector Salary Structure (CONHESS). Others are Consolidated Public Service Salary Structure (CONPSS), Consolidated Research and Allied Institutions Salary Structure (CONRAISS), Consolidated Police Salary Structure (CONPOSS), Consolidated Para-military Salary Structure (CONPASS), Consolidated Intelligence Community Salary Structure (CONICCS), and Consolidated Armed Forces Salary Structure (CONAFSS). There is also increment on pensioners under the Defined Benefit Scheme (DBS) between 20% and 28% upward.

Notwithstanding the challenges of subsidy removal and panaceas cum palliatives provided, at the long run, the removal will serve the Nigerian state better in terms of reduction of federal and state government borrowing, humongous debts and fiscal deficits; investment in the critical sectors, elimination of smuggling; sustainability and affordability of welfare; stabilization and reduced fuel price for end users; contribution to economic growth, among others. These and other benefits will attend the issue of subsidy removal. Even now, the subnational governments are smiling to their capitals because they receive more than they used to receive before May 29, 2023. The allocation from the federal government has increased substantially since June 2023 and now (June 2026). For instance, between June and December 2023, the subnational governments collectively received a sum of N3.34 trillion. Even, the National Bureau of Statistics stated that there is an increase of 19.5% from the N2.79 trillion allocated to the states and local government between January to June in 2023 (cited in Tolu-Kolawole, Aina & Shaibu, 2024, https://punchng.com/nigerians-seek-relief-as-states-get-n3-3tn-allocations/). The paper further reported that in July N514 billion, August N533.75 billion, September N627.73 billion, October N497.97 billion; November N533 billion and December N610.5 billion were given to the States and Local governments respectively in 2023 (Tolu-Kolawole, Aina & Shaibu, 2024, https://punchng.com/nigerians-seek-relief-as-states-get-n3-3tn-allocations/). Thisday Newspaper (2024) also reported that the allocation to all tiers of government in January 2024 increased from N1.67 trillion to N2.07 trillion (Akanbi, 2024, https://www.thisdaylive.com/index.php/**2024/05/05/**elusive-gains-of-subsidy-removal-in-the-states). Observing further that the federal government got N3.99 trillion or 39.37%, the States got N3.585 trillion or 35.34%, while the 774 Local governments across the country got N2.56 trillion or 25.28%. PWC (2023) has revealed that the long effect of removal will impact on and influence stronger Naira and a decline in imported inflation; encouragement of local capitalists to invest in downstream through development of local industry to refine PMS and increase employment; and PMS will be available to end users.

The oil subsidy removal, although, has pros and cons, yet, the positive effect is that the proceeds according to President Tinubu would be directed towards significant savings and resources allocation for Nigeria and Nigerians at large "we shall instead rechannel the funds into better investment in public infrastructure, education, health and jobs that will materially improve the lives of millions of our people (quoted in Sanyaolu, 2024, https://sunnewsonline.com/fuel-subsidy-removal-9-months-after-nigerians-groan-seek-palliatives/#google_vign). However, Nigerians have role to play by demanding accountability, transparency, inclusion, and participation on how the funds are executed to improve their well-being. "When will Nigerians begin to make their state governors and local government chairmen accountable? The truth is, as long as Nigerians continue to concentrate on the federal government for their legitimate demands, state governments will continue to mismanage funds and the cycle of underdevelopment will continue" (Akanbi, 2024 https://www.thisdaylive.com/index.php/2024/05/05/elusive-gaoms-of-subsidy-removal-in-the-states).

Conclusion and Recommendations

The study has shown that discovery of crude oil in commercial quantity is responsible for heavy dependence on oil wealth that triggered the quest for political power by a few political elites. Before independence and prior to colonial rule, the nationalities relied heavily 'on agricultural products, such as palm oil, cotton, peanuts, among others. However, following the colonial rule and aftermath of the Berlin Conference, the colonial government forced Nigerian people to produce in commercial quantity raw materials for the colonizers who also determined how much to buy commodities through brutal force.

The handing over to local elites who ought to have consolidated on the token handed over to them, continued the legacy of colonialism as they shifted attention to crude oil money. The oil money replaced agricultural products. The decline in oil money owing to moribund state of the national refineries led to the importation of PMS into the country. As the government imports the finished products from crude oil like PMS, Kerosene, Diesel, the Nigerian government provided the succor to the people through payment of subsidy on any litre of fuel brought to the country. This started in 1970s and continued till now. Attempts at removal of oil subsidy by any government either by the military or civil rule is usually resisted by Nigerians. In fact, those leaders lacked the political will. But this was not the case when in May 29, 2023, the new government headed by President Ahmed Bola Tinubu announced the end of oil subsidy regime.

However, the pain of oil subsidy removal is very humongous. It has led to inflation, as food items and building materials rose astronomically. The federal government in turn rolled out different palliatives with the aim to bring succor to majority of Nigerians. While the removal of subsidy on PMS is long overdue, and benefited a few Nigerians, the revenues from that action should be channeled purposively and properly and appropriated to the needs of Nigerians such as housing, good roads, better transportation system, good and affordable health care system, education opportunities, empowerment through creation of employment and training for deserving individuals. Similarly, the governments both at national, state and local governments should not see what comes to their purses as avenue to further enrich themselves, but such revenue should be appropriated into productive ventures and ensure their people irrespective of ethnicity, colour, language, religion, political affiliation enjoy the dividends of democratic governance.

Now that there is no more oil money at the national level, the quest for power and a do or die party politics should cease as the attention on power is now at behest of state as well as the local government. The federal government should put up a mechanism, platform or committee whereby the revenues to itself, States, and the local governments are monitored monthly, quarterly or yearly basis. The membership should not be based on political affiliation but across governmental and nongovernmental organizations. The monitorship will ensure that the purpose or aim of PMS subsidy removal is not jeopardized, and also ensure the gains does not end in the personal pockets of elected representatives and appointed public officials. The PMS removal is a good way to start a new Nigeria and for Nigerians.

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