An analysis of Nigeria's petroleum subsidy removal as a neocolonial and dependency tool

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Abstract

Upon assuming office on May 29, 2023, Nigerian President Bola Tinubu declared that the petrol subsidy regime, which had been in place for over three decades, had come to an end. Immediately, petrol marketers adjusted the pump price to reflect the new reality, leading to high transportation costs and hyperinflation. Using a documentary approach and post-colonial state theory, we argue that the President's progressive ideal "allow the poor to breathe", which formed the core of his election campaign, has been diminished by removing the subsidy on the pump price of petrol. Although the removal of the subsidy has deepened poverty in Nigeria, international finance agencies such as the World Bank and the International Monetary Fund (IMF) - which have recommended the policy switch, have praised it. The policy switch from the progressive ideal of allowing the poor (sic) to breathe to removing the fuel subsidy - without first increasing Nigeria's downstream sector's capacity - underlies a desire to kowtowing to the policy prescriptions of the World Bank and IMF rather than securing the living conditions of vulnerable Nigerians.

Keywords: petrol, subsidy, governance, imperialism, post-colonial state theory

Introduction

The Nigerian President, Bola Tinubu, declared on May 29, 2023, at his presidential inauguration, that the fuel (petrol) subsidy regime was over. Fuel subsidy is a government intervention and discount over the price of fossil fuels, which lowers the petrol price for citizens (Ovaga & Okechukwu, 2022). The fuel subsidy regime in Nigeria can be traced to the 1977 Price Control Act introduced by the military government led by Olusegun Obasanjo (Onyeiwu, 2024). With the removal, Nigerians are paying the price dictated by the international market (Orjinmo, 2022; Onyeiwu, 2024; Nwangwu, 2023; Udeogu et al., 2024).

The removal of petrol subsidy has generated a myriad of reactions from scholars, civil society organizations, and governance experts. These reactions have attributed the removal of petrol subsidy in 2023 to poor governance by the Nigerian state, unpredictability of the political terrain, and the repression of the Nigerian people (Al Jazeera, 2024; Amnesty International, 2024; Alabi, 2024). The removal of petrol subsidy, which has been dubbed unsystematic and abrupt, precipitated nationwide protests, with citizens calling for the end of bad governance and continued leaning to economic agenda from the World Bank and the IMF (Falola, 2024; The Nation, 2024; Rumble & Gilder, 2023). While campaigning for the office of the president of Nigeria in January 2023, President Tinubu said the following:

> "Let the poor breathe. Don't suffocate them. We have that responsibility."

The above statement resonated with a sizable number Nigerians who have faced the burden of high electricity tariffs, poor wages, and living costs, to mention but a few. Furthermore, President Tinubu had also promised - during election campaign - that, if elected, he would reduce the petroleum pump price to below ₦200 per litre (Adeuyi, 2023; Thisday, 2023). While addressing a coalition of student groups during his presidential campaign, he made the following promise:

> "The great Nigerian youths, the great Nigerian students, the confident Nigerian youths. This is a revolution. This election is a revolution. They are plotting, but they will fail. They said petrol price would increase and reach ₦200 per litre. Go and relax; we will bring it down."

However, the current economic malaise facing low-income Nigerians due to petrol subsidy removal contrasts with his campaign promises to reduce the pump price, which was ₦197 per litre before his inauguration. Less than two months after his inauguration, petrol sold for ₦617 per litre and has sold for around ₦1,000 per litre thereafter. Mosadioluwa (2024) historicises the four different price regimes for petrol since May 29, 2023. The first phase saw a rise in petrol pump price by at least 185.64%, from ₦195 to between ₦448 and ₦557 per litre. The Federal Government of Nigeria justified the increase in petrol price, claiming that the continued payment of petrol subsidy cost the government more than ₦400 billion monthly and that it was impractical and economically unwise to continue paying. June 2023 saw the start of the second stage of the petrol price hike. Petrol price increased by 10.77%, from ₦557 to ₦617 per litre. The Nigeria National Petroleum Company Limited (NNPCL) attributed the increase to market dynamics brought on by external economic factors that were out of local control. In September 2023, the third stage of the petrol price hike took place. The petrol price increased by 45.38%, from ₦855 to ₦897 per litre. October 2023 saw the start of the fourth petrol price hike, rising by 15% to ₦1,030 per litre. Government attempts to remove petrol subsidies date back to the 1980s, but Nigerians have resisted them (Adeforiti & Abang, 2024). An example of such resistance was the "Occupy Nigeria" protest by Nigerians to stop the plan to remove petrol subsidy in 2012 under the administration of President Goodluck Jonathan (Okoli, Nwangwu, Iwuamadi & Nwanegbo, 2024). It is noteworthy however that before the coming of President Tinubu's inauguration, subsidies had been removed from other fuels. For instance, subsidies were removed from diesel and kerosene in 2003 and 2016 respectively.

While several studies have focused on the multifarious impacts of petroleum subsidy removal on the economy and Nigerian people, this article analyses petrol subsidy removal as a neocolonial apparatus of dependency. In what follows, the centrality of petrol to the Nigerian economy is discussed, and after, the theoretical imports of post-colonial state theory are applied to analyse the dynamics of petrol subsidy removal, protest, and governance under President Bola Tinubu's administration. Next, the study context and methodology are laid out, and the last section focuses on how citizens' welfare and living conditions have been abridged by such neocolonial policy prescription as petrol subsidy removal.

Contending perspectives on the centrality of petrol to the Nigerian economy

Olasode (2021) highlights the contributions of the petroleum sector to the Nigerian economy and they include the creation of employment opportunities and revenue generation - from oil exports, local sales Thus, Loic-Mondenir & Franck-Junior (2024) observed that the landmark of petroleum industry in Nigeria in respect to economic development accounts for the domination of the sector in terms of profits and revenue accumulation. As the world's tenth-largest crude oil reserves and the world's fifteenth crude oil producer, the industry generates for Nigeria more than 95% of the country's external revenue and about 80% of government revenue. The outcome reveals that oil production has contributed to economic development, but the consumption and export of crude oil did not contribute to the improvement of the Nigerian economy with the suggestion that the government should implement policies that would encourage the private sector to actively participate in the crude oil sector, other sectors of the economy and the Federal Government should use the revenue generated from oil to invest in other critical national sectors including agriculture and manufacturing in order to expand the revenue stream of Nigerian economy. Similarly, Miebimo & Baghebo (2024) observed that the political economy policy on removal of petrol subsidy of petrol has implications on Nigeria's economy.

Poor Nigerians have experienced hardships due to increased transportation costs and higher prices for food and other essential goods. Thus, Federal Government standpoint that removal of petrol subsidy benefits the economy overall by redirecting funds to enhance infrastructure in sectors such as education, transportation, health and critical sectors of Nigerian economy, and the move will alleviate price distortions, reduce corruption, and eliminate inefficiencies however, has not been seen so far with the increasing hike of transportation cost that has endangered the mobility of Nigerians. Obasi; Ezenkwa; Onwa & Nwogbaga (2017) observed that the political economy dimension of removal of petrol subsidy was based on the consolidation of leadership economic interest that have affected Nigeria's economy. They contend that the policy was established due to rampant corruption in the nation's sprawling oil sector; hugely responsible for the intractable economic development slow-motion, worsened the plight of Nigerians. The dominant Nigeria's refineries in Warri, Kaduna and Portharcourt have remained moribund. Petrol subsidy policy has created leeway for the criminally minded elite to squander the commonwealth of Nigerians.

Under President Muhammadu Buhari, the Nigerian government showed little or no political will to address the decay in the oil sector, particularly in its reluctance to prosecute oil thieves who were directly or indirectly connected to the apparatus of government. In comparison, Ghana's approach to petrol subsidy removal differed significantly. The Ghanaian government engaged with the public and introduced measures to cushion the adverse impact of subsidy removal on the poor. In contrast, Nigeria, especially under Buhari's administration, experienced rising petrol prices without adequate mitigating measures, leaving economic survival severely undermined. The political will of Nigeria's government in revamping Nigeria's refineries, strengthening the fight against corruption and the establishment of a regulatory framework to protect citizens as necessary measures to help improve the poor state of Nigeria's economy with other strategic elements in Nigeria, are critical for vulnerable Nigerians. Furthermore, Bello (2019) Observed that the dimensions of critical failure in the management of crude oil in petroleum industry in Nigeria which has been Federal Government inability to rise up and seized the advantage of having the resource in abundance with it and maximizing it optimally as countries are gradually turning away from crude oil and gas in driving their economies particularly the experiences in Norway and Saudi Arabia, that have made oil and gas a critical catalyst to its economic development. The occurrence of crude oil and gas diversification and growth in Nigeria when implemented, would foster adequate power generation, provision of feedstock for value-adding manufacturing, increased government revenue from liquefied natural gas and strengthening of the gas value chain as national priority. This objective has been derailed in Nigeria presently. Chukwuma-Ekwueme (2023) observe that crude oil trade in Nigeria has an impact on foreign earning that has disrupted the economic conditions of Nigerians for example, India's value of crude oil imports has saliently influenced Nigeria's GDP per capita. The critical need for intervention of governmental entities and institution of rigorous monitoring mechanisms, will be of immense help to crude oil trade management in Nigeria with external countries. Relatedly, the Federal Government of Nigeria should diversify the economy by prioritizing non-oil exports, thereby reducing the vulnerabilities associated with overreliance on crude oil as the primary source of foreign revenue and fostering a more resilient and sustainable economic base.

Ojo & Adebusuyi (1996) identified the strategic importance of petrol as a major anchor of the Nigerian economy. It highlighted the imperative of petroleum industry's organizational and operational structure and assessment of its performance in respect to crude oil production, local consumption, exports and refined products as well as oil revenue. It reveals that the crude oil exports with its sales account federally collected revenue and the growth in crude oil output. Despites the largesse of proceeds of crude oil export, critical factors inhibiting the sector not to flourish include public control of the industry, lack of autonomy for the NNPC; inefficiency in production and distribution; cash flow problems and low level of investment in Nigeria. Lastly, Elwerfelli and Benhin (2018) noted that oil booms have brought unprecedented wealth and development to some countries but that of Nigeria, has not been the case. Nigeria has been attributed to the resource curse phenomenon explained by the Dutch disease criteria. Crude oil with its attendant oil booms in Nigeria is a resource curse because institutions have not been strong enough to efficiently manage the vast oil revenue for the positive impact on the economy of Nigeria and for the benefit of its people. In respect to Norway and United Arab Emirate, Nigerian government should follow the footpath of good governance, accountability, high government effectiveness, appropriate regulations and anti-corruption policies will help link natural resources with high sustained economic growth, turn the resource from a curse to blessing.

Theoretical grounding of petrol subsidy removal: the post-colonial state theory

The Marxian post-colonial state theory is used to explicate the government's removal of petrol subsidy, protest and governance in Nigeria under the administration of President Bola Ahmed Tinubu. The theory provides a framework for analyzing the complex interplay of colonial legacies, class struggle, and global capitalism in post-colonial societies, offering insights into the ongoing dynamics of power, exploitation, and resistance. The major tenets of the theory are namely: perpetuation of colonial legacy, class struggle, state as a product of history, neocolonialism, resistance to colonial structures and Eurocentric criticisms.

The theory was initiated by Hamza Alavi and was popularized by other scholars including Franz Fanon, Claude Ake, Eme Ekekwe, among others. The Marxian post-colonial state theory has been utilized based on the legitimacy that it has the capacity of examining and comprehending the manifest character of social structures in Nigeria's post-colonial state. The choice of the theory is motivated by the fact that the study of the manifest character of the Federal Government removal of petrol subsidy and its implications on cost of transportation, mobility of motorists and passengers and hyperinflations on the contemporary economic realities of Nigerians under the existing President Bola Ahmed Tinubu regime. The development has largely been contingent on the perspectives of interest of the political class, consolidation of political & economic power, competitive control and state failure in response to the needs of Nigerians. The efforts to analyze or situate the current challenges of transportation cost, mobility of motorist and passengers and hyperinflations of goods in the midst of removal of petrol subsidy in Nigeria, are critical in highlighting them in the study.

In the Marxist post-colonial state, Alavi (1972) questioned fundamentally the tenets of the classical theory of the state in the context of post-colonial societies, while reacting to Western or the liberal perspective on the concept and purpose of the state. Eliciting from the Marxist context, the state is seen as a product of contradictions and irreconcilable class relations. Alavi pushed further on the Marxist perspective of the state that reflect the certain specificity of the state in post-colonial societies. Alavi's assertions aree premised on the historical specificity of post-colonial societies, a specificity which arises from structural changes brought about by the colonial experience and alignments of classes and by the superstructures of political and administrative institutions which were established in that context, and secondly the radical realignments of class forces which have been brought about in the post-colonial situation. Reflecting on the specificity of the nature and character of the state in post-colonial societies, Alavi described the state as "an eternal, imperialist creation whose task was to accomplish specific functions essentially among other things, the economic exploitation of the people in the post-colonial state formation. Class relations are power relations which manifest in a character. Lenin (1976) argue that group of people differ from each other by the place they occupy in a historically determined system of social relation of production. From social relation of production, the state emerges to sets in class contradictions. To understand the class contradiction in state formation, Engels conceived that: the state is a product of society at a certain stage of development and the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable opposites which it is powerless to exercise and the state arises where, when, and to the extent that class contradictions objectively cannot be reconciled.

Poulantzas (1973) conceived the state as "not a class construct, but rather the state of the society divided into classes and aims precisely at the political disorganization of the dominated classes. This point to the fact that the state represents the interests of the most powerful, economically dominant class, with an organized executive as a committee for managing the common interests of the whole bourgeois class. The metropolitan bourgeoisie assigns the tasks to be executed in the colonies without replicating in them the superstructure of the metropolitan country itself, but to develop apparatuses through which they can exercise dominion over the indigenous social classes in the colonies. Central to the post-colonial state formation was the creation of the conditions that ensure the accumulation of capital by the metropolitan bourgeoisie in alliance with the dominant class via the exploitation of the indigenous economy.

The character of the state in post-colonial societies made Ake (1985) to assert that the "modern African state is a creature of the capitalist mode of production and as such is a specific modality of class domination. From the foregoing context, Ibeanu (1998) argue that the foothold of colonialism sustained in the post-colonial state was such that anti-colonial struggles in Africa altered little or nothing at all in the arbitrariness of the predecessor of the post-colonial state. In the post-colonial state of Nigeria, the change was only in the personnel of the colonial state and the structures remained unchanged.

In Nigeria, to maintain a sort of patron-client relationship as a means of clinching to the control of state power, constant efforts are made to ensure the protection of interests of the international organizations such as IMF, World Bank, multinational oil companies operating in Nigeria against the interests of the subordinated indigenous social classes or the Nigerian citizens. The protection of such interests yields a multilayered of positive results, which include presenting the government in power as a faithful client needed to be rewarded internationally, and the support that comes in various dimensions with latent and manifest contents sustains the trend of power relations, even when the government does not respond to the interests of the inhabitants (Nigerians). The protection, which the government of Nigeria grant to the international organizations, multinational oil companies, comes despite the vulnerability of the livelihoods of Nigerians due to high cost of petrol cost of transportation and its mobility and hyperinflations of material needs of Nigerians as a result of the Federal Government removal of petrol subsidy under the regime of President Bola Ahmed Tinubu (Orjinmo, 2022; Nwangwu, 2023). This manifested behaviour relates to the character of the post-colonial state, which Ake (1985) attributed to the limited autonomy of statehood in post-colonial societies, particularly in Africa, Nigeria inclusive. The limitation placed on the autonomy of the state created limited space for social classes, resulting in class struggles between the dominant classes, both at the national and sub-national levels in Nigeria. The state as a central power force has remained a fiercely competitive phenomenon that control dominant classes in Nigeria. In this context, Ake (1985) argued that the state is atomised that "the institutional mechanisms of class domination are constituted to the point that the state as "a committee for managing the affairs of the whole bourgeoisie becomes as an objective force standing alongside society. The atomisation of the state makes it difficult to resolve the contradictions and crises that come with power struggles. For dominant classes to sustain a foothold onto power, they collaborate with the international organization and multinational oil companies in a manner that the state in Nigeria is incapable of mediating the cyclical conflicts triggered by Federal Government's removal of petrol subsidy and governance in Nigeria in respect to the consequences of the cost of transportation, mobility of motorist and passengers and hyperinflation of material needs of Nigerians in the market. This explains the continuous use of repression, persuasion, negotiation and pacification as strategies to mitigate the consequences of removal of petrol subsidy and governance in Nigeria, which have not produced any meaningful results.

Ekekwe (1986) asserted that in the post-colonial state, a positive relationship between capital and state exists, because of the dominant role foreign capital plays in government and governance. The owners of international capital determine the process of economic production and reproduction, as well as the direction of the society. Those who implement their interests are indigenous to the post-colonial state. While doing so, they also appropriate surpluses from the removal of petrol subsidy to starve indigenous social classes of the accrual surpluses from the import of petrol to Nigeria. The political character demonstrated by the government expanded the atmosphere for the development and consolidation of petrol subsidy removal in Nigeria.

Furthermore, in the application of Marxist post-colonial state theory as regards to the context of Federal Government removal of petrol subsidy and its implications on the cost of transportation, mobility of motorist and passengers and hyperinflation of material needs of Nigerians in the market under President Bola Ahmed Tinubu Administration, require its analysis with empirical indicators.

As explained earlier, Alavi (1972) described the state as “an eternal, imperialist creation whose task was to accomplish specific functions essentially among other things, the economic exploitation of the people in the post-colonial state formation. The analysis of the state on the premised historical specificity of post-colonial societies, a specificity which arises from structural changes brought about by the colonial experience and alignments of the classes and by the superstructures of political and administrative institutions which were established in that context, and secondly from radical realignments of class forces which have been brought about in the post-colonial situation. Nigeria is a post-colonial state created based on the interest of dominant western powers (Britain, & United States of America and France) through the activities of colonialism and neo-colonialism with the by-product of political class organized structure embedded in the political institutions that has effects on other strands of Nigeria’s society.

Nwangwu (2023) identify that the Nigeria’s post-colonial state presently chair by President Bola Ahmed Tinubu with absolute removal of petrol subsidy are driven by neo-colonial and neoliberal economic expansion agenda promoted by the World Bank and the International Monetary Fund (IMF). The declaration that petrol subsidy has gone on May 29th, 2023, were anti-people or Nigerians in order to satisfy the interest of major powers with their international financial institutions. Petrol subsidy is beneficial to the poor as well as small- and medium-scale enterprises (SMEs) in Nigeria but its removal by President Bola Ahmed Tinubu indicated that petrol subsidy removal increases poverty and pushes the poor below the subsistence level with the escalating consequences of the prevailing epileptic electricity supply in Nigeria which depend on petrol-powered generating sets, struggle or completely collapse as energy costs soar or increases. The removal of petrol subsidy is a conditionality imposed on the Nigerian government of President Bola Ahmed Tinubu to access loan facilities from these institutions.

In August 2022, the Federal Government of Nigeria signed a loan agreement with the World Bank, securing US $800 million for post-petrol subsidy removal palliatives targeted at the poor (Agbon, 2023). The loan carried the typical conditions, including the removal of petrol subsidy, triggering petrol price increases, alongside higher natural gas prices, electricity tariff hikes, currency devaluation, privatisation of state-owned enterprises, increased taxes (such as value-added tax), and the restructuring of government institutions. It also reflected a mutual agreement between the Nigerian government, the World Bank, and the International Monetary Fund (IMF) to remove the petrol subsidy by mid-2023.The International Monetary Fund advocated bold fiscal reforms, perceived petrol subsidy as a major contributor to the Nigerian government's fiscal deficit, while neglecting its estimation on other factors such as illegal oil bunkering, pipeline vandalism, and militancy in the Niger Delta that have affected oil production. Orjinmo (2022) observed that the strongest argument against petrol subsidy removal from Nigeria's experience, is the massive corruption that breed over time, making few people super wealthy rather than collectively improving the lives of Nigerians. The policy switch from the progressive ideal of allowing the poor (sic) to breathe to removing the petrol subsidy - without first increasing Nigeria's downstream sector's capacity - underlies a desire to kowtowing to the policy prescriptions of the World Bank and IMF rather than securing the living conditions of vulnerable Nigerians.

The study context and methodology

The context of this study and methodology therein are critical towards analyzing the dynamics of petrol subsidy removal, protest, and governance under President Bola Tinubu's administration. The context is the cost of transportation, mobility and hyperinflation issues that arise due to removal of petrol subsidy by President Bola Ahmed Tinubu administration. The study adopted a qualitative research design which follows the complex nature of Nigeria's transportation cost, mobility and hyperinflation crisis that made Nigerians vulnerable victims on the impacts of subsidy removal on petrol products on Nigerians, underpinning the state of economic realities and vulnerabilities of livelihood of Nigerians that were critically examined. The adopted qualitative research design involves an extensive review of secondary sources, such as academic literature, policy reports, and official documents. Using the case studies of transporters on the nature of transportation cost, mobility of passengers in Nigeria, in respect to the role of Federal Government policy of removal of petrol subsidy under the President Bola Ahmed Tinubu administration and responses by the transporters, passengers over the policy. The qualitative-documented evidenced approach allows patterns and recurring themes identified in interrogating the dynamics of removal of petrol subsidy, protest and governance in Nigeria. By the increase responses to the cost of transportations, mobility of motorist and ppassengers, parents and students, provides an understanding of the impacts of Federal Government removal of petrol subsidy, protest and governance in Nigeria

Nigerian Citizens' welfare and living conditions have been abridged by neocolonial policy prescription as petrol subsidy removal

Substantiating how Nigerian Citizens' welfare and living conditions have been abridged by neocolonial policy prescription as petrol subsidy removal, requires critical empirical facts in the analysis. Using the study context and methodology that centres on the cost of transportations, mobility and hyperinflation issues that aroused due to removal of petrol subsidy by President Bola Ahmed Tinubu administration. The study adopted qualitative research design that involves the review of secondary sources, such as academic literature, policy reports, and official documents.

The cost of transportations amongst the motorist and passengers in Nigeria, has surge in respect to the hike in the price of petrol. Aragon-Ewuzie (2024) observed that the consistent scarcee of petrol has escalated Nigerians transport fares with persistent pressures on the viability of Nigerians socio-economic and livelihood sustenance in Lagos state. A practical example can be seen in the sharp rise in transportation fares across the state: a fare that was previously ₦100 has doubled to ₦200; fares of ₦200 – ₦300 have increased to ₦300 – ₦400; while routes that once cost ₦500 now range between ₦800 and ₦1,000 in some locations, depending on the distance and destination. One of the commuters by name Joy Anamelechi, a Lagos-based businesswoman, pointed out that she spends over ₦1,500 commuting from her house in the Ikotun area of Lagos to her shop in the Egbeda area. Before she used to spend N600 daily for her transportation, but that has increased to ₦1,500 due to increase in the price of petrol in Nigeria. This development has made commercial drivers to placed premium charges on passengers and paucity of fund on passengers, kept them stranded on the road. Adetayo (2023) observed that the hike for the price of petrol because of the removal of petrol subsidy has becomes a contentious issue in the transportations with long lines at filling stations in Nigeria's six geopolitical zones. With the increase cost of transportation beyond the means of many Nigerians, the rising transportation costs has skyrocketed because of rising petrol prices, human security deficits, proliferations of poverty that have forced many Nigerians to pay greater in living expenses over their material needs sustenance. For example, travelers from Mowe to Victoria Island in Lagos state paid ₦3,500 for transportation cost. In the University of Nigeria, Nsukka (UNN) academics and students paid from ₦100 to ₦300 as transportation fares to the shuttle drivers at the shuttle park behind the late Dr. Nnamdi Azikiwe residence into the campus located at Freedom Square. Similarly, ₦700 emergency drop has grown to ₦1500. The number of students that walked to the campus have increased because of sudden hike of the price of petrol.

Daily Trust (2024) observed that the increase in petrol prices has caused a 50% national surge in transport charges due to independent marketers that changed their pricing to range from ₦930 to ₦1,200 per litre for petrol. The increased expenses over transportation cost because of petrol price increase, has made Nigerians for long-distance treks for going to work or other activities of their choice. This development has raised criticism on the removal of petrol subsidy by Nigeria Labour Congress, Manufacturers Association of Nigeria; Afenifere; People's Democratic Party (PDP), and many other groups. This necessitated the august 2024 countrywide protest in Nigeria.

The increasing challenge of cost of transportations as result of removal of petrol subsidy encapsulated by (Falaiye, 2024; Business Day, 2024; Wahab, Bolaji & Akanbi, 2024; Okah, 2024), observed that increase charge of transportation fares to passengers or commuters have received displeasure from passengers with the rise in petrol prices at Zuba, Abuja. Mr. Adeolu Segun, a public servant paid high charge of transportation cost with increased from ₦1,000 to ₦1,500. Mrs. Zainab Ibrahim (at Kubwa a mother of six), paid the transport fare of ₦1,000 as opposed to ₦500 formerly, made it difficult for her to provide for her children. The increase in petrol prices was the cause of the increase in transportation costs as Mrs. Murjanatu Shehu, a passenger, pays ₦8,000 to ₦11,000 for transportation cost from Abuja to Kano state. Widespread passenger complaints over rising transportation costs have hindered personal and economic development, while placing severe strain on the higher education sector. Students and faculty members now struggle financially to commute to campuses across the country for study and work, resulting in reduced productivity among employees.

The policy switch from the progressive ideal of allowing the poor (sic) to breathe to removing the petrol subsidy - without first increasing Nigeria's downstream sector's capacity - underlies a desire to kowtowing to the policy prescriptions of the World Bank and IMF rather than securing the living conditions of vulnerable Nigerians. Sandehl (2023) observed that the political elites' speeches during election campaign in Nigeria are considered electoral rhetoric. This has made them to focus on their strategic economic interests (Ake, 1985; Ake, 1996, Ake, 2003) rather than securing the living conditions of vulnerable Nigerians once they have won the elections. Vying for office in an election, political elites in developing democracy are characterized by communal differences, exploit tribal, religious, and ethnic ties as a means of polarizing and/or reconciliation the masses. President Bola Ahmed Tinubu pledged to lower the price of petrol if elected as the President of Nigeria. Recent instances of petrol price increase and his declaration that petrol subsidy is gone after his inauguration as the President of Nigeria are opposite to his promise during presidential campaign (Adeuyi, 2023, Thisday, 2023). President Bola Ahmed Tinubu statements at the campaign:

''*The great Nigerian youths, the great Nigerian students, the confident Nigerian youths. This is a revolution. This election is a revolution. They are plotting, but they will fail. They said petrol price will increase and reach N200 per litre. Go and relax, we will bring it down"*

Similarly, price increase for petrol in Nigeria began from ₦197 prior to his inauguration on May 29, 2023, under President Muhammdu Buhari's administration. Two months after President Bola Ahmed Tinubu administration, the price of petrol skyrocketed at ₦617 per litre, and currently being sold at ₦1,150 per litre (Daily Trust, 2023). The current price of petrol has contradicted his promise in the election campaign of 2023 at Abeokuta in Kogi State. Aneasoronye (2024) analyzed Nigeria's high inflation and hike in petrol prices, have compelled many households in Nigeria to reduce their car fleets. Example of Tunde Dolapo, an engineer that drove three automobiles and maintains them without any issues until the recent increase of the costs of petrol price in Nigeria under President Bola Tinubu Administration, affected him. Mr. Dolapo sold one of his expensive vehicles due to petroling the cars and maintenance. Another instance of Mr. Ken Ubochi, a Motor Parts Merchant at Ladipo Market, saw the hike of price of his car model of V6 Pilot SUV, because of petrol subsidy removal. The price of petrol per litre has changed tremendously in Nigeria presently. Mr. Ken Ubochi stated that:

"Petrolling the cars now has become a big issue. So, most times, I join public transport even when I have two cars in the house. I sell vehicle parts, and I can tell you many people can no longer maintain their vehicles"

Ogwo (2024) observes that rising petrol prices have worsened parents' challenges, particularly in meeting school-related expenses such as transportation, food, fees, and other essential services required by students. The well-being of parents has been further strained by widespread price hikes and inflationary pressures, with petrol pump prices increasing from ₦568 to ₦897. Criticising this development, Mr. Michael Orji, a civil servant, stated:

"To be honest, as a father, I'm groaning within me. It is an ugly situation to narrate, the price of food is on the high side which the children cannot do without. "In fact, my blood pressure has gone high because what is available cannot meet the family needs. Even while trying to cut my coat according to size, the petrol hike set in and worsen the whole thing," while trying to cut my coat according to size, the petrol hike set in and worsen the whole thing," "As it's I have decided that my children will no longer go to school with school bus this time around, they will use their legs to go their various school.

Consequently, Mr. Orji paid ₦40,000 for each of his five children's school bus transportation fares with petrol prices increase and the school subsequent raising the charge to ₦65,000 per one student (Ogwo, 2024).

Edema (2024a) observed that the Nigeria Union of Teachers (NUT) and the Parents Teachers Association (PTA) voiced concern over the country's persistent rising school dropout rate that attributed to the rising cost of bus transportation fares in Nigeria. Due to their inability of the parents of paying the rising transit charges and expenses, teachers are skipping classes at the detriment of students learning and education pursuit. Transportation costs in Nigeria have skyrocketed due to casual linkage to petrol price increase that ranged from ₦750 to ₦900 per litre but are currently at ₦1,200 per litre. The growing expense of transportation fares/costs have angered both commercial and private transportation providers. Edema (2024b) notes that pupils' access to high-quality education is increasingly threatened by the rising costs of transportation. Practical instances of Akeem Goriola, a student at Mowe and a student (name withheld) of Vetland Grammar School Lagos, experienced transportations crisis respectively due to running toward private vehicles going to Mowe for a hope of begging for a free ride or a discounted fares at the Berger bus stop along the Lagos-Ibadan expressway and hike of transportation costs increased by 100% due to recent petrol price increase, going to school from her house in the town's Abule-Egba neighborhood. The discontinued bus services due to Parents' inability to afford the transportation cost because of several transport buses ceased from operations due to parents' inability to afford the exorbitant rates. The removal of petrol subsidy based on the tenets of Marxian post-colonial state theory in this study emphasizes the primacy of placing value on premium of capturing power for the consolidation of economic interest of political elites in order to suit the interest of colonial masters. The interest of the President Tinubu along with its political cronies, explained the reason (s) behind the removal of petrol subsidy with his statement on 29th of May 2023 that petrol subsidy is gone (Dare, 2024). The reasons are: The Federal Government of Nigeria justified the increase in petrol prices by claiming that the consolidation of the subsidy has cost the government more than N400 billion a month and that it was not practical to continue. This signaled the first increase of petrol price increase that occurred in May 2023. President Bola Ahmed Tinubu's announcement caused the Nigerian National Petroleum Company Limited (NNPCL) to raise the price by 185.64%, from ₦195 to ₦448, and subsequently, ₦557 per litre. In June 2023 saw the start of the second stage of the petrol price increase. The price of gasoline increased by 10.77%, from ₦557 to ₦617 per litre. Nigeria National Petroleum Company Limited (NNPCL) ascribed the increase in petrol prices to market dynamics brought on by external economic dimensions that were out of local control. In September 2023, the third stage of the petrol price increase took place. The price of gasoline increased by 45.38%, from ₦855 to ₦897 per litre. Due to large payments to petrol suppliers, Nigeria National Petroleum Company Limited (NNPCL) expressed its position on the price increase with the experiences of extreme financial strain that endangered the long-term viability of the petrol supply to Nigerians and the global community, especially external buyers of crude oil for export in Nigeria.

The disputes between Nigeria's National Petroleum Company Limited (NNPCL) and Aliko Dangote, Group Chairman of Dangote Industries Limited, regarding refinery operations and petroleum product pricing was a factor that contributed to the increase in petrol prices in Nigeria. Nigeria's National Petroleum Company Limited (NNPCL) maintained that the Federal Government's payment of petrol subsidy encouraged the smuggling of the product to neighbouring countries. The removal of petrol subsidy has gained the support of the World Bank. Agboola (2024) observed the risk posed by the Federal Government's removal of petrol prices, which has caused petrol pump prices increase rise in Nigeria and its impacts in the purchasing power of Nigerians, plummeted because of the high cost of transportation cost and hyperinflations of food and material needs of Nigerians. This has resulted in corruption and survival tactics by Nigerians in dealing with the rising expense of transportation cost due to increase in petrol prices.

Conclusion

The study highlights the consequences of President Bola Ahmed Tinubu's removal of petrol subsidy, particularly its impact on transportation costs and the hyperinflation of essential goods and services in Nigeria. Although petrol subsidy policies have been implemented on several occasions in Nigeria, a history reflected in the section on 'contending perspectives on the centrality of petrol to the Nigerian economy' in the literature review, the specific link between transportation costs, hyperinflation of material needs, and the current administration's policy has been scarcely addressed in previous studies.

While extant scholarship on petrol subsidy removal remains valuable, we argue that President Tinubu's campaign promise of the progressive ideal to 'allow the poor to breathe' has been undermined by the decision to remove the subsidy without first strengthening Nigeria's downstream petroleum sector. Drawing on post-colonial state theory, the paper examines how the removal of petrol subsidy has deepened poverty, even as international financial institutions such as the World Bank and the International Monetary Fund (IMF), both proponents of the policy, have praised it. The policy shift, undertaken without first expanding the capacity of the domestic refining sector, reflects a tendency to defer to the prescriptions of global finance institutions rather than prioritising the living conditions of vulnerable Nigerians.

The study's context and methodology establish a causal link between the removal of petrol subsidy and its effects on transportation costs, mobility challenges, and hyperinflation of essential goods, thereby showing how these developments have eroded citizens' welfare under a neocolonial policy framework. The analysis concludes that the government's actions represent a departure from the professed progressive ideal toward an externally driven economic agenda.

Considering these findings, the paper recommends that the Federal Government under President Bola Ahmed Tinubu focus on increasing the capacity of the downstream petroleum sector, particularly by rehabilitating and reforming the refineries in Warri, Port Harcourt, and Kaduna, so as to protect the livelihoods of vulnerable Nigerians rather than deferring to external policy directives. It further recommends that transportation costs, now inflated by higher petrol prices, be reduced through targeted interventions in petrol pricing to ensure affordability for the average Nigerian. Addressing hyperinflation resulting from increased transportation costs is equally critical for safeguarding access to essential goods and securing the welfare and material needs of citizens. Finally, mobility challenges arising from the rising cost of transportation should be monitored by the establishment of mobility committees at federal, state, and local government levels, tasked with ensuring that Nigerians can move freely to pursue economic activities and other vital engagements that support their well-being.

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