

## Public Sector Reform and Citizenship Welfare in Post-Colonial Nigeria: A Case Study of Oil Subsidy Regime

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### Abstract

The trajectory of public sector reform in Nigeria from state led to market economy directed by the law of demand and supply has increased the justification for profit maximization in service delivery. This has created serious consequences to the welfare of her citizens in provision of essential services. The public sector reform was organized to delegitimize the state involvement in the management of production and exchange of goods and service. The philosophy behind this reform connotes the global triumph of capitalism over socialism and the attendant invocation of market principles to determine the provision of service delivery. Nigeria, being a post-colonial integrated economy into the global capitalism has adopted the logic of neoliberalism in pricing of her petroleum product by the elimination of subsidy from fuel by President Bola Ahmed Tinubu's government. The removal of the petroleum subsidy (fuel) bears severe impact on the affordability, security of supply and accessibility of the product on the citizens' welfare. The studies intend to utilize qualitative research approach in its data gathering and analysis. This study articulates that maintaining the principles of public sector in the distribution and pricing of petroleum products contribute to major ingredients of social stability and equilibrium in the provision of development and security in Nigeria. The logic of maintaining subsidy in petroleum product cannot be conceived as a burden but a stabilizer and stimulator of the welfare of people.

**Keywords:** public sector, service delivery, welfare, subsidy, citizens

### Introduction

The Nigerian capitalist path to development has precipitated the process of economic misadventure and political crises in its citizens especially the removal of fuel subsidy that has incapacitated warfare state logic. The subsidy removal regime have engendered intellectual debates ranging from the neo classical blend of scholars, who construe fuel removal subsidy as a good initiative and positive thinking from government having considered it beneficial capacity to the development of the market economy in Nigeria. The other group consists of scholars with mixed intellectual leaning of neo Marxist and state welfarism assumptions, who sees fuel subsidy as obnoxious and illogical having understood the state as the sole agent of the promotion of socio economic development, which it underpin through the public sector involvement (Ayee, 2008). The public sector connotes those institutions, agencies and corporations who are charged with the responsibility of implementing and coordinating state basic functioning, goods and services to citizens based on the representation of public interest and national cohesion (Haque, 2001).

The public sector constitutes the sector of development and stability that promotes the primacy of collectives over individualism, cohesion as against competition, citizenship welfare over

profitability. The public sector has amassed enormous power and functions that has become its albatross. The challenges of accountability cronyism, neo patrimonialism, and the apparent lessons from international experience of the success of market-friendly economies and coupled with the economic crisis of the late 1970s and 1980s have elevated concerns about public sector a catalyst for Nigeria's economic transformation and efficient service delivery provision. The combinations of these features have produced to, as the redefinition of the public sector or state (Fiszbein, 2000). The redefinition of the public sector, intended to rejuvenate its administrative capacity and ideological relevance to the construction of welfare state structures have led to the dominance of the paradigmatic alternative driven by rational choice theory and the hegemony of market principles.

As Dostal (2010) contend that the field of development policy has been dominated by neoliberal policy prescriptions that focus on approaches such as the new public management to promote market mechanism in the governance of the public sector or the application of privatization rules. This motion has underscore that the concept of the warfare state that ideologically underpinned the orthodoxy of social protection, welfarism and subsidy is under siege in developing countries arising from the unprecedented effects of globalization. This reinforced the hegemony of the liberal capitalist ideology with far-reaching implications on science delivery and public goods orientation on the citizenry.

Notably, the retrenchment of the welfare state was predicated on the global ascendancy of the neoliberal policy regime which started in 1980, with the introduction of Structural Adjustment Programmes (SAP) in Nigeria. The adoption of SAP has redefined the patterns of state society relations, increasingly articulated and reproduced by the hegemony of the private sector and market forces in economic activities. As Adejumobi (1999) argues, that the theoretical foundation of privatization and deregulation of the economy that heralded the removal of subsidy, under the SAP ideological assumption is the neo classical economic theory, which itself has increasingly come under severe intellectual attack as a means of resolving modern economic crises. Its premise is founded on the assumptions of the superiority of the private sector and private ownership over the public, as the former parades superior capitalist ethnics and values.

The removal of fuel subsidy tends to possess strong economic arguments that are driven by propensity to yield high financial returns, profit margins, cost recovery, transparency and efficiency, however it's social and political value in the area of citizenship inclusion contains high value of dysfunctional variables at variance with cohesion and stability. The spontaneous public outcry and demonstration that trailed the announcement of the removal of the subsidy on Premium Motor Spirit (PMS) in 2012, illustrated the majoritarian citizenship opposition to the ill-thought out policy (Abegunde and Akinyemi, 2014). An informed public commentator opines in the national mirror, that the decision by the federal government to withdraw subsidy on petroleum products from January 1, 2012 had led to sky – rocketing of the price of petroleum products with its attendant effects on other social sector, especially transportation. The disagreement over the policy introduction had resulted in a nationwide strike by labour and protest by civil society that claimed lives across the country (Ozoeme, 2012).

The public sector constitute an invaluable mechanism of ensuring social cohesion and the guarantee of equality of opportunity, combating social inequality and inequity, also, becoming a beacon of social transformation and the protection of the less advantaged in the society, however, the public sector and the state in developing countries are still trapped in what can be called

paradox of reform dynamism, a situation in which the public sector is locked into the necessity of reform initiatives without appropriate design, ideas and institution to understand and execute the intended reform seared towards good governance and better service delivery (Olaopa 2011). This predicament has led to the universal endorsement of neo liberalism anchored on market rules and methodical individualism to drive public sector. In this sense, the conceptualization of the public sector reform by African Development Bank, as reforms geared towards improving the capacity of institutions to make policy and deliver services in an efficient, effective and accountable manner (ADB, 2005), rightly explains the intention of the public sector to serve as a mechanism of promoting and providing the citizen's needs.

Historically, fuel subsidies have been in practice in Nigeria since 1977 as a temporary fiscal response measure to cushion the effect of surge in oil commodity (IISD, 2019). The subsidization regime emerged then, to shield the citizens from volatile energy cost (Jung, 2023). There has been steady application and involvement of subsidy mechanism to ameliorate the impact of global oil price increase on Nigerians. The subsidy amount witnessed a rapid escalation between 2000 and 2012, which motorize the demand for an upward adjustment of price and the eventual fuel subsidy removal (IMF, 2023). The Federal government attempted initiative to increase fuel price have often accompanied by civil unrest and protest, an indication of the mass resistance to an upward adjustment of price of fuel. As Nwachukwu stated, Nigerian government have attempted to review subsidies umpteen times, could not succeed, mainly due to strong aversion and opposition to the reform. Therefore, the tension propelled the administration of President Bola Ahmed Tinubu to jettisoned subsidy regime on Premium Motor Spirit and aligned with the global ideological and governance perspective that delegitimizes the role of the state in economic distribution and exchange with respect to critical concerns like, the shielding government from investment in social policy, over bloated budgetary allocations, severe shortage of revenue, inefficiency and financial breakages and reduction of carbon emissions.

The market driven approach to social service delivery has undertone in politics and political orientation of leadership cadre. The new orthodoxy that underwrites subsidy removal is the hegemony of ideas and those who share affinity based on such ideas evangelize the inevitability of private sector philosophical management (Amadi, 2008). The ideological and professional dispositions of President Ahmed Bola Tinubu are oriented towards capitalist values and norms that engender the primary of marketization and liberalization of social sectors to private orthodoxy. This paper is categorized into four sections. The first contains the introduction, the second section represents the public sector reform in the neoliberalism, the third section includes the citizenship welfare and the fuel subsidy removal and final section underlines the conclusion Public sector and recommendations.

### **Public sector reform: the theoretical assumptions and implications**

The prospects and predicaments of the public sector reform have always fundamentally concerned with its theoretical doctrine and implementation process. The public sector is synonymous with state. The state represents the beacon of authority and the collective assumptions of the public sector in providing services. The expansion of governmental activity partly associated with a socialist or welfarist attitude to economic and social activities distinct from the laissez – faire approach of individual self-interest has reinforced the ubiquity of public sector to all human society. According to United Nations (1961) public sector represents a group of institutions which have in common some reliance in the power of the state, from which they can justify their

activities, and a political belief which accords greater merit to collective over individual actions. In this sense, public sector comprises of bodies, the existence of power of which rely on the authority conferred on them by the state, in varying forms, through some formal process.

Their ability to invoke to a greater or lesser degrees, the compulsive power of the state brings them within the public sector is categorized into three structures, the first includes the ministries, departments, agencies and other local units that exercises governmental functions and powers, the second are the state enterprises, boards and corporations, parastatals, such as electricity, water and petroleum enterprises, their institutional structures, finances, powers and duties are determined through legislative power of the parliament. The third consist of institutions that enforce governmental standard and rules like regulatory bodies' regulating sectorial activities and professional associations (Powell 1987 and Ayee, 2008).

In Nigeria, the public sector is a vital organ of government. It is a fundamental agent of government used in achieving the economic, political and social aspirations of the state. Arising from this perspective, the public sectors is geared towards promoting national unity, rapid socio-economic and technological development and formulates and implement policy in a fast globalizing and dynamic environment (Monye Emina, 2012). Furthermore, the public sector is also saddled with the responsibility to assist the growth and development of private initiatives, manage government data, operate open, humane, inclusive with an administrative mechanism designed to enhance development consciousness, service delivery inclined dispositions with effective and efficient performance orientation.

The role of the public sector in national and continental development cannot be adequately engaged without reference to the impact of colonialism. (Ayee, 2008) contends that at political or administrative level, colonial policy, irrespective of colonial power, left a legacy that created conditions that triggered highly personalized leadership, centralization and elitism. For Nigeria, the public sector, including its structure and features evolved from the country's colonial history being a former appendage of British Empire. The consequences of colonial administration became apparent in the physical and human legacies it left, that situated public amenities and service delivery like educational facilities, public utilities, consumer goods and communication facilities in a single city, obviously urban settlement having the largest concentration of European colonial officers and their families which escalated culture of exclusion and deprivation in the social sector provision.

The centralization of Nigeria's public sector under the British colonialism was abrogated between 1946 and 1966 due to the adoption of regional government and the emergence of federal government (Monye-Emina, 2012). The decentralization took place between 1946 and 1966. Subsequently after independence, there have been variety of governments and governance system in Nigeria, ranging from civil, military, parliamentary, presidential, quasi-federal and semi-military that have left significant impact in the institutional development of the public sector. These government systems have created profound structural and governance changes on the administration of the public sector with high level of implications, especially on state-citizenship relations. The public sector in Nigeria had never been without reforms. The sector had witnessed several reforms on many occasions, as a result of its declared inefficiency, wasteful and underperformance with evidence of political and bureaucratic maladministration, this triggering the reform (Omar, 2012). It has attempted about 10 reforms both major and minor, starting from 1945 to 2004 (Monye-Emina, 2012). The public sector reform under

The former president Olusegun Obasanjo had an elaborate and coordinated initiative that rethought and reimagined the institutional and governance mechanism of the action towards neoliberal rationality of high fusion of private sector management ethics and pattern and rolling back the state, ably driven by the the Bretton woods institutions of World Bank and IMF. The Bretton woods institutions are governed by the ideological orientation of market fetishism and the ascendancy of neoliberal economic policies under the banner of Washington consensus. The Obasanjo public sector reform, underlines the evolving threshold and patterns of development in Nigeria, since the introduction of SAP, heavily oriented towards market solution approaches at the detriment of the social sector and diminution of the state. As Adejumo (1999) affirms, that the market approach to development in which public sector activities, including those in the areas of social and infrastructure, are transferred to the private sector through a process of liberalization and privatization of the public sector institutions and services are in consonance with the dominant neo – liberal orthodoxy, which forms the fundamental doctrine of the structural adjustment programme foisted on Nigeria by the World bank and the IMF.

It is essential to conceptualize this understanding within the point of view of critical thinking. The significance an indicator of public sector reform like privatization, public – private partnership, liberalization and subsidy removal connotes reform policies best understood within the context of the politics of economic reform. Its emergence as inevitable policy option to Nigerian government is not just a function of its merit as an economic policy but also a function of the ideological orientation of the triumphant Anglo – American capitalism which de – legitimized the role of the state in the economy. It is a continuation of the supremacy battle of capitalism and communism in the global economic order. Although, capitalism aggressively articulated as economic programme of market fundamentalism has emerged as the leading global economic ideological order both in developed and developing countries after the end of the cold war (Amadi, 2008) with the challenges and predicaments of the state in socio – economic development, the reconsideration of the state were imagined and the purpose of the public sector completely reoriented. The public no longer wear the garb of the social cohesion and stability, rather it is expected perform its role as a facilitator of economic development under the control and guidance of private sector ethics and principles.

Public sector reform is a systematic intervention directed at the structure, operations and procedures of the public service and service delivery with the purpose of inducing its transformation as multi – faceted agent of change as well as an instrument of national cohesion and socio – economic development (Monye – Emina, 2012). As Bentil (2004) argues that the concept of administrative reform embraces the structure of government, its management and functioning at bringing about meaningful changes that would enhance the efficiency of public service so as to improve the delivery system of the government in meeting the need of the entire nation.

Public sector reform is designed to restructure the State and enhance its capacity in public service delivery geared towards improving the economic, social and political variables that stimulate national cohesion and stability to the benefit of everyone, not only the privileged few. It should be noted that the essence and logic of every public sector reform is situated at the promotion of the supremacy of people and their empowerment to be productive and effective citizens whose welfare are not circumscribed. illogically, the adoption of the ideological and processes of public sector reform driven by neo liberal orthodoxy of marketization has reinforced poverty, hunger,

unemployment, hopelessness, hardship and exclusion as the Nigerian state was castrated and minimized from its traditional function of 'welfares' capacity and empowerment.

The reform undertaken in the public sector showed little regards to the realities of the Nigerian society. In most African countries, the government is very central to the lives of the people and its development (omar, 2012). Nigerian has been the victims of rightsizing, downsizing, subsidy removal and privatizations of the reform as many have been retrenched, impoverish and dispossessed of their livelihood. The macro economic and structural assumption of the reform includes deregulation, liberalization, privatization and removal of subsidy from the social sectors that had previously been a drain on the national treasury or the hand contribution to Gross Domestic Product (GDP). The rationale of this reform was that money previously saved would be channeled providing services such as water, electricity, and petroleum products and better roads with motion of accessibility to the citizens.

However, with the global endorsement of capitalism and globalization, the reform adopted by Nigerian government assumes a standard framework and economic philosophy of the provision and delivery of social welfare services with the primacy of economic profiteering emphasized over citizenship solidarity and integration. The same frame work of public sector reform was adopted in the reform of Nigeria National Petroleum Cooperation (NNPC), which underwent institutional administrative and governance restructuring that led to the Petroleum Industry Act (PIA) enacted into law in August 2021. This reform elevated the application of deregulation in the downstream sector and created the environment for the market based pricing principles for petroleum products that culminated to the removal of fuel subsidy.

### **Theoretical framework**

The prevailing theoretical conceptual framework that undergirded the adoption and implementation of public sector reform in Nigeria is the discourse of New Public Management (NPM). This approach emphasizes the centrality of citizens as customers or users craving for optimal value of services. It promotes accountability for results, decentralized authority and control. Its intrinsic logic includes market orientation of cost recovery, competition between public and private sectors service delivery contracts (manning, 20011 and larbi, 1999). The NPM reform model is the driving force behind series of public sector reform operating in developed and developing countries alike. The element of the NPM variant is often associated with positive, action oriented phases such as reinventing government, re-engineering, revitalization of the public service, total quality management, paradigm shift , result over process, downsizing, rightsizing, lean, contracting out, offloading or out sourcing (Fredrickson, 1996). NPM was an exogenous public sector reform model that became popular in the organization of economic corporation and development (OECD) countries such as the UK, New Zealand Australia in the late 1970s, where it was used to understand structural, organizational and managerial changes in their public services. According to Hood (1991), NPM IS a body of managerial thought or ideological thought system based on ideals generated in the private sector, and imported into the public sector NPM shift the emphasis from traditional public administration to public management, and pushes the state towards managerialism. NPM came replace the traditional model of organization and delivery of public services, based on the principles of bureaucratic hierarchy, planning, centralization, direct control etc. with a market based public service management includes the property rights, public choice, transactions – cost and principal agent theories. It also has shares affinity with the neo classical economics and new institutionalism (Aye, 2008 and Monye – Emina, 2012).

The property rights theory and property ownership basis promoted different economic incentives and therefore different economic performance. The private sector management is possessed well defined profit right that will engender his enterprise to perform efficiently and effectively. Public choice argument connotes the engagement of policies market values over collective interest. There principal motion is that there is no fully informed and perfectly thinking government that is devoted to the maximization of the people's welfare and respond to their preference accordingly. It stated that political market place by politicians and bureaucrats are embedded in profit maximization. These theories have no empirical evidence to support their usage in Nigeria. There are many private sector agencies suffering predicaments that exist in the public sector. There exist government public failure and private failure; this suggested that the market is not efficient allocator of scarce resources.

### **Fuel Subsidy Removal and Citizenship Welfare Debate**

The contemporary programme underpinning in Nigeria's public sector reform doctrine is that the economic and social functions that was too fundamental the purview of the state must be reconsidered and readjusted. The new good governance approach indicates that the state must privatize itself to the maximum and de – statize itself by giving more responsibility to the private initiative while reinforcing the bases of market economy and ensuring free competition (Adejumobi, 2004).

From this background, it should be noted that the removal of fuel subsidy in Nigeria precipitated by the public sector reform that was targeted at NNPC. The reform specifically unbundle and corporatized NNPC for a public corporation created for national cohesion and stability through the production and distribution of petroleum products under welfarist or regulated price mechanism to a commercial entity oriented for the sole purpose of commercial benefits through that application of market based pricing principles for petroleum products that eliminates fuel subsidy. The issue of removal of fuel subsidy has been continuous policy matters that have maintained repetitious debates in the cycle of government and the public policy reform.

Historically, fuel subsidy removal could be traced first when government introduced it as a temporary fiscal response to cushion the negative effects of high oil price in the international market (Jung, 2023) following the subsidy regime has remained a continuous policy frame work in the politics of energy service delivery by subsequent governments. The removal of subsidy always assume the front burner of policy discussion in Nigeria especially when international oil prices increases which culminates into the escalation of the budgeted monetary expenditure going beyond government expectation. There has been several attempt by Nigerian government to reform and introduce the market mechanism as underlying basis of fuel pricing, such attempts has been resisted by the civil population with the rationale that the challenges of subsidy removal will potentially lead to the exacerbation of socio – economic inequality and the subsequent rise in the cost of living. This predicament profoundly informs Ude (2023) to contend that subsidy elimination possesses long term benefits, but it has adverse effects on the financial resources of households, especially the marginalized and deprived citizens.

The protest and agitations over the removal of fuel subsidy in Nigeria has been a recurrent decimal in the matrix of energy policies and service delivery. In 2012, there was a coordinated and programmatic action directed towards removal of fuel subsidy by the former president, Goodluck, Jonathan. The Federal Government, on January 1, 2012, increased the gasoline price to a cost recovery level, doubling the price from NGN65 to NGN145 per liter t completely eliminating the

subsidy (IMF, 2013). Understanding the initial consequences of the removal of the subsidy, the federal government created an agency to mitigate the negative and adverse impacts of the subsidy removal on households, vulnerable groups and the general socio economic concerns, called SURE (Subsidy Reinvestment and Empowerment) program which include in its packages, social safety net programs and subsidy saving fund. The aim was to redirect the funds from subsidies to public goods such as healthcare, education, better transportation and vocational training (Jung, 2023). However, the reform in subsidy removal generated widespread protest and a national strike, with many people dead in the violent demonstration. The nationwide protest could not be mitigated until government reversed the reform by reducing the fuel price to NGN97 per liter on January 15, 2012 (IMF, 2013). It is expedient to understand and capture the political atmosphere and the character of the political class in every public sector reform.

The failure of 2012 fuel subsidy removal was accentuated by political resistance led by the political class and the labor union. The national assembly dismissed the subsidy reform, claiming that it was premature and there was no concrete data to support its removal, the labor unions opposed it, arguing that the proceeds from the subsidy removal would be spent wastefully on government white elephant projects rather projects that will massively benefit Nigerians (Okigbo and Enekebe, 2012). It is interesting to note that the same political class and its institutions that stood against subsidy removal in 2012, that removed fuel subsidy in 2023 the president and his former party ACN (Action Congress of Nigeria) that merged with other parties to form APC (All Progressive congress) played a major role in the obstacle. For the reformers, therefore, is the need to think politically and strategically. This involves striking a balance between reforms being technically sound, people oriented and politically feasible (Olaopa, 2011). Another, attempt at fuel subsidy removal was in 2016, when the federal government raised the petrol price from NGN 86.5 to NGN145 per liter. During that period, Nigerians were grappling with a severe fuel shortage, with consumers queuing for hours at filling station at filling stations and artificial price at the black market was introduced, making the products expensive for ordinary Nigerians. However, the international crude oil price rebounded and the fuel subsidy reintroduced (IMF, 2013).

The structural underpinnings of Nigerians economy with regard to energy sector is complicated and multifaceted with problems characterized by intricate connections between economic viability, social equity, environmental sustainability and political stability. The docility of the refineries with general breakdown of the refining capacity of the state owned enterprise and the dependency and imported oil, elevated the risk of escalated fuel prices. Refineries have been dormant and unproductive potentially exacerbating the high cost of petroleum products in Nigeria. The structure of Nigeria's subsidy system involves fixing the price of petrol for consumers below international prices and using government resources to cover the difference (Olaniyi, et al 2021). As the refineries are in comatose condition, imported oil prices tend to be expensive if the product were refined in Nigeria. From this notion, the government argues that the structural impediments have contributed to the unsustainability of the subsidy programme. This reinforced the decision to increase price of petrol by 200% shortly after the subsidy removal announcement by President Ahmed Tinubu. This has underscores immediate impact on consumers and the general socio – economic outlook in the country.

The chronology of events and reactions that underlines the 2023 fuel subsidy in Nigeria depict a complex picture of economic, political and societal dynamics that are anchored on citizenship welfarism, cost recovery driven by economic profiteering and political mobilization. The announcement of the subsidy removal during President Bola Ahmed Tinubu's inauguration set of



a chain reaction that elicited public outcry and governmental responses. The policy prompted immediate concerns and chaos with citizenship scrambling to purchase fuel before prices surged (Olaniyi, et al 2023) even that about 133 million Nigerians are living in multi-dimensional poverty, exorbitant cost of goods and services explains the intolerable state of affairs in the country. The removal of petroleum subsidies has severe economic implication as the impact on inflation and consumer prices are acidic. The consumer price index (CPI), which measures the rate of change of prices of goods and services, is an inflationary pressures resulting from the subsidy removal reserve. According National Bureau of Statistics (NBS), Nigeria's CPI increased to 22.41 percent in May 2023 and it has been witnessing steady increment.

The market led shift introduced in the name of improving public sector performance in terms of greater efficiency, competitiveness and quality connotes severe implication for citizen's political and social rights in relation to the state. As the public sector reform is obsessed with being liberalized, privatized and deregulated in favour of market forces and individual choices, the welfarist entitlement of citizen's social justice, equality and basic needs anchored on available and accessible service delivery has become a predicament. As citizens are redefined as utilitarian consumers and clients, their capacity to exercise collective power has been seemingly eroded. The removal of fuel subsidy has elevated inflationary pressures in transportation and food costs. The subsidy removal has increased living expenses particularly among the youth, a demographic already battling with employment challenges and financial resources (Olaniyi, et al, 2023).

This policy has weakened the critical engagement power of the youths and it has potentially exacerbated the frustrations and the urge to travel abroad as their only reaction to this menace. The inclination to Japa (Emigrate) for greener pastures reflects hopelessness of the youths in building statehood in Nigeria. The interpretation of citizens as customers within the rubric of public sector reform associated with market forces, while undermining the welfare of common citizens who are economically underprivileged and thus, incapable of paying for services (Haque, 1999) has the capacity to accentuate social unrest and instability. The customer oriented citizenship that the removal of fuel subsidy has fostered on Nigerian is antithetical to the enhancement of community spirit and civic republic philosophy of citizenship in Nigeria. This has subjected the Nigerian citizens to be parochial, detached from government and castrated due to the diminishing recognition of citizen's social rights and welfares. The centrality of public sector reform is situated in the development process that construes the people as the engine and beneficiary of the reform. The lack of social safety net that will ameliorate the sufferings of the vulnerable group of population severely attacked the household sustenance as subsidy is designed for affordability and stability of living condition of people.

The administration of President Ahmed Tinubu courageously removed fuel subsidy from the socio-economic dynamics that long defines energy policy and politics in Nigeria, without meticulously and comprehensive compensatory mechanisms that will cushion the effect on Nigerians especially the marginalize and excluded sectors such as the urban poor, peasants, poor women, youths and elderly. The general outcry, negative public and threat of demonstrations and massive strike from the labour unions that warranted the federal government to refocus its attention to palliative measures as compensatory mechanisms. The assumptions that supported federal government perspective, that subsidy represent a substantial misallocation of resources that could have be otherwise be directed towards promotion of social policies and infrastructural development did not trigger initial comprehensive packages to cushion the effects from government with only the enforcement of the strike action by labour unions effected the change.

Grudgingly, the federal government came out with several compensatory mechanisms after negotiation with labour unions, like Nigerian Labour Congress (NLC) and Trade Union Congress of Nigeria (TUC). The palliative measures are not welfarist policies, rather they are ad hoc strategies and programmes that are designed for a short term period. Citizenship welfarism connotes carefully considered long term social policies that emphasize inclusion, Participation and devolution with acceptable national agenda and projects that will promote development and national integration, through equity, equality and capacitation legislated by the parliaments.

## Conclusion

The paper has been able to substantiate its theoretical and empirical arguments that public sector reform driven under the climate of neo liberalism that emphasizes the primacy of private sector management, individualism and market principles of cost recovery under the logic of profiteering which Nigeria has adopted in its reform processes is exclusionary and anti-people. The subsidy removal was initiated and implemented under the theoretical assumptions with support from international financial institutions like World Bank and IMF. The subsidy removal has redefined the citizenship social and economic rights in Nigeria and has created a situation whereby market forces possess more rights than the citizens. The removal of fuel subsidy consists the historical capitalist path to Nigerian development that reinforces commodity fetishism and primitive accumulation by bourgeois ideology which the state have been found culpable in the dynamics of service delivery provisions.

## Recommendations

- i. The ideology of development with regard to public sector reform that the private ownership of capital constitutes the engine of development and efficient manager should be reassessed, a reformed state can be a good manager and resource allocate therefore, let private sector and the public sector compete for better management efficiency and effectiveness.
- ii. The ruling classes, by virtue of their control of political power, should divorce its thinking and behavior from using the state as an instrument for capital accumulation. There is need for serious citizenship engagement and participation in the process of the reform.
- iii. Public sector reform should be an instrument of promoting and sustaining a capable and accountable state. The reform should emphasize empowerment, inclusion and integration rather than exclusion and inequality.

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