

**POLITICAL DEVELOPMENT IN NIGERIA  
AT HUNDRED: A CASE OF FUEL SUBSIDY  
REMOVAL AND A RURAL POPULACE  
PERCEPTION OF GOVERNANCE**

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**Abstract**

The fuel subsidy policy is one of such policies that link good governance with positive political development. The objective of this study therefore, was to examine the influence of fuel subsidy removal on a rural populace perception of governance in Nigeria. The survey research design was employed in the study. The population of the study was the rural populace in Akinyele Local Government, Ibadan Oyo State. The single stage cluster sampling and random sampling techniques were used to select four sampling units and 200 respondents that made up the sample size. The questionnaire titled 'Rural Populace Perception of Governance Questionnaire' (RPPGQ) was used to collect data for the study. Data generated were analyzed using descriptive statistics of mean, standard deviation and ranking. The results of the study showed that the rural dwellers of Akinyele Local Government area berated governance as they perceived

the government policies as inconsiderate both at the stages of enactment and implementation and that this appears not to speak well of political development in Nigeria. The study concluded that sincerity in policy enactment and implementation is the only factor that could make the citizen supportive of governance at the rural levels.

Keywords: Governance, Fuel subsidy, Rural Populace, Perception, Policies, Political development

### Introduction

The origin of the term 'Political Development' can be traced to 1950's when a large number of American political scientists were attempting to study the political dynamics of the newly emerging countries of Asia, Africa and Latin America. Several attempts have been made by scholars to define and explain the concept of political development. While efforts have been made to give it a definition, political development like many political concepts, do not lend itself freely to a universal definition. Political development over the years have been defined and explained to entail the passing of traditional societies to modernization, nation state building, national welfare and industrialization, differentiation and specialization of political structures. However, Pye (1966) identified three levels of political development as population (mass participation), government performance and organization of the polity. In other words, Pye is of the opinion that the indices of political development is peoples participation in the political process, government effectiveness and efficiency in authoritative allocation of resources and the ability of the government to integrate varying interests or groups in the society. From the above discussion, it is evident that one of the crucial elements of political development is governance.

The concept of governance is as old as human existence. United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2011) defines governance as the process of decision-making and the process by which decisions are implemented or not implemented. In Nigeria and Africa at large, as a result of gross

leadership failure and government introduction of policies which do not serve the interest of the ordinary Nigerians, the term “good” and “bad” governance have found their ways into our dictionary. Governance is said to be good when it meets the needs and aspirations, and fulfills its responsibility to the people. It is also said to be bad when it fails in discharging its duties to its people. Human Development Report (2010) in its Niger Delta Citizen Report Card reported a stark disconnect between the grassroots government and its constituents. It also noted that government policies in the oil sector especially in the Niger Delta area have grossly destroyed ecologically sensitive wetlands, clogged waterways, killed wildlife and damaged the soil and air quality over the past 50 years and ruining the lives of people in the region. These recurrent leadership problems in Africa and Nigeria in particular, have made the term “good governance” and “bad governance” to gain prominence in development literature.

Good governance means that processes and institutions (especially government) produce results that meet the needs of society while making the best use of resources at their disposal. This translates into government taking on the responsibility of delivering quality education, health care, infrastructure, public services, and protection of its citizens. Dower (2000) sees good governance as the process whereby public institutions conduct public affairs, manage public resources and guarantees the realization of human rights, freedom from abuse and adherence to the rule of law. Also, Arisi (2013) noted that good governance is an essential precondition for sustainable development and concludes that where there is good governance, corruption, poor control of public funds, lack of accountability, abuses of human rights and excessive military influences are absent. Governance is therefore not a right but a responsibility.

In Nigeria, political development in terms of good governance has gone through many phases. It started from the amalgamation of 1914 which subjected Nigerians to the rule and leadership of the colonial forces. We then had independence in 1960 which marked the exit of the colonial masters, and the freedom for Nigeria to determine her own fate. Post-independence which has been characterized by many years of military dictatorship and few years of democratic leadership followed next.

However, 100 years after, Nigeria cannot be said to fare any better. This is because lingering issues such as democracy dividends, disconnected grassroots and ethno-religious conflicts, high level of insecurity, poverty and economic hardship have plagued governance such that the basic question of whether Nigeria has really developed politically is frequently asked. It must thus be noted that governance is said to be good when government policies are formed with adequate consideration of the wellbeing of the masses and such policies stream down with positive effects to citizens at the grass root.

Subsidy is one of many policy instruments used by government to attain grass root economic, social and environmental objectives. Subsidy by way of definition is any measure that keeps the price consumers pay for a good or product below market levels or above market levels for producers. The provision of subsidy has been regarded by Government of countries across the globe as a social obligation to the economically disadvantaged citizen (particularly people who live below \$2 a day and vulnerable groups) United Nations Environment Programme (UNEP, 2003). Globally, subsidies exist in several economic sectors, including agriculture, fisheries and energy. Furthermore, UNEP (2003) reported that international experience indicates that the results of subsidy removal have been mixed. In some countries subsidy removal as a program enjoyed relative success with limited social stress. In other cases, the exercise was deemed a failure. However, elimination of subsidies on essential commodities has been known to precipitate social dislocation and in the extreme, led to street riots and civil strife.

Consequent on the above background, it therefore came as a huge surprise when the Federal Government of Nigeria (FGN) on January 1, 2012 announced its removal of subsidy on fuel and the consequent increase of fuel pump price. This sparked off a nationwide protest that paralyzed every form of activity for almost two months. Fuel subsidy removal and increase in pump price is not a new phenomenon in Nigeria. Adenikinju (2000) traced the history of fuel price increase to the Military Government of General Olusegun Obasanjo. He noted that Olusegun Obasanjo reviewed fuel price from 8.4 kobo to 15.37 kobo. On January 1982, Shagari's government further raised it to 20 kobo. During the Ibrahim Babangida era, fuel price was

increased to 39.5 kobo on March 31, 1986; 42 kobo per litre on April 10, 1988 and 60 kobo for 'private cars' on January 1, 1989. On March 6, 1991 the price was again increased from 60 kobo to 70 kobo. On the 8<sup>th</sup> of November, 1993 it was raised to N5.00. But on November 22, 1993 it was reduced to N3.25.

On the 2<sup>nd</sup> of October 1994, it was again increased to N15.00 but reduced two days later to N11.00. On December 20, 1998 it was increased to N25.00 and reduced to N20.00 on January 6, 1999, a month later. On June 1, 2000 petrol price was increased to N30.00 and again reduced to N25.00 one week later. Five days later, on June 13, 2000 the price was further reduced to N22.00 per litre. On January 1, 2002, it went from N22.00 to N26.00 per litre. It was increased again to N40.00 a litre on June 23, 2003 and again to N70.00 a litre in June 2009. No viable reason has been given by government for these increments. The nation has only continued to witness depreciation in standard of living and a pauperization of the Nigerian populace (George, 2012). If the definition of governance entails the process of decision making and the process by which decisions are implemented or not implemented, then this straight forward and easy to comprehend definition seem to be the direct opposite in Nigeria.

Lasisi (2012) remarked that the history of fuel subsidy removal or outright increase in prices is a rather long one. But because of the negative effects it has on the polity, it has often been greeted with protests. This unpopular action by government often brings together labour movements, civil right groups, student unions, other groups and individuals that champion the protest against it. Majority of which emanates from the cities and more developed areas where the impact of subsidy removal is mostly felt. For instance, in 1998, Abdulsalami Abubakar increased fuel price from N11 to N25 but after days of sustained protests, it was reduced to N20 on January 6, 1999. Still in 1999, the Nigerian Police opened fire and used tear gas to disperse protesters trying to gain entry into the National Assembly complex in Abuja. The demonstration was called by the NLC to protest against plans to end fuel subsidies. In the year 2000, the Obasanjo regime tried to effect an increment in fuel price to N30 but protests and mass rejection forced it to reduce the increment to N25 on June 8, 2000 and further down to N22 on June 13, 2000. In 2003, during the April 2003

election, Nigeria was engulfed by four nationwide stoppages over fuel subsidies. It is apparent that in spite of Nigerians unflinching support for President Jonathan during the 2011 elections, the fuel subsidy removal programme not only attracted criticisms, regrettably, the programme increased general dissatisfaction and cynicism from all and sundry regarding governance.

Notwithstanding, there is still a clear divide between the urban and rural populace as regards the gains of government policies streaming down to them. UNEP (2003) report posited that a removal of fuel subsidy would significantly affect the urban population than the rural. UNEP observed that the rural dwellers were largely farmers and less socio economic groups that still made use of charcoal, firewood and less of modern transportation. However, UNDP (2011) remarked that many communities in the rural areas now make less use of biomass energy as main sources of domestic cooking fuel and that there is now a huge presence of telecommunication gadgets, generators and other fuel consuming devices in these areas. Population education scholars now come up with the term peri – urban for those rural areas that have shared characteristics of urban areas.

This implies that cost of goods and transportation of farm produce are not the only areas in which fuel subsidy removal poses a challenge to rural dwellers. Fuel subsidy now affects other areas of their daily living. Therefore, government's removal of fuel subsidy also bears a direct burden on the rural dwellers. This may be part of the possible reasons why the rural dwellers in Akinyele local government area who have shared characteristics of urban areas were not scared to make their perception of governance and government policies known by joining the January 1, 2012 subsidy protests though initiated by the mainstream urban populace.

By and large various Nigerian government regimes have increased fuel prices and the aftermath had been repeated protests initiated mostly by urban dwellers. The increase in price in itself has not been to the economic advantage of the masses, because it has always led to increase in the prices of basic commodities and a poor perception of governance by the citizenry in general. The rural dwellers nonetheless, now have present in their dwelling places, facilities and technologies that make them feel the impacts of fuel subsidy in ways much more than increase in

prices of goods and services. These recent developments seem to be responsible for rural dwellers participation in the last subsidy removal protest. This study therefore, was carried out to examine the influence of petroleum subsidy removal on a rural populace perception of governance in Akinyele Local Government.

### Research Questions

- 1) Is the rural populace aware of fuel subsidy removal and what are their sources of awareness?
- 2) How does the rural populace perceive the removal of fuel subsidy on their daily living?
- 3) What is the influence of fuel subsidy removal on a rural populace perception of governance?

### Method

The survey research design was used in this study. The population was residents of Akinyele Local Government, Ibadan, Oyo State. The sample used for the study was 200 rural dwellers randomly selected from four local government wards namely Ojo, Moniya, Idi-Ose, Olode/ Amosun in Akinyele Local Government Area as a result of the single stage cluster sampling technique employed.

The main instrument used for data collection was a questionnaire titled 'Rural Populace Perception of Governance Questionnaire' (RPPGQ). The instrument consisted of two parts. Part 1 was designed to collect the demographic data of the respondents while Part 2 consisted of 22 items centered on respondents' awareness and sources of awareness of fuel subsidy, responses on influence fuel subsidy removal on respondents' daily living and responses on influence of fuel subsidy removal on perception of governance in Nigeria. Respondents were asked to rate all items using 4-point modified likert scale. The cronbach alpha analysis was used to determine the reliability of the instrument and it obtained reliability coefficient of 0.77 (very high). Data gathered was analysed using descriptive statistics of frequency count, percentage scores, mean and standard deviation.

### Answering of Research Questions

### Research Question 1: Is the rural populace aware of fuel subsidy removal and what are their sources of awareness?

Table 1: Responses of respondents to awareness and sources of awareness of fuel subsidy removal

From table 1, most of the respondents are aware of the fuel subsidy removal as average mean scores of 3.24; 2.62 and 3.27 was recorded for items 1, 2 and 4 respectively, which were positive statements that dealt with their level of awareness. A mean score of 1.08 was recorded for respondents who disagreed with the negative statement that no petroleum subsidy has been introduced in Nigeria since 1960. As regards to their sources of awareness, the table showed that most respondents learnt of the subsidy removal through the mass

	STATEMENTS	SA	A	D	SD	Mean	Std. Deviation	Rank
1.	Fuel subsidy is the amount paid by the govt. to reduce the cost of petrol	122 61.0%	532 6.5%	12 6.0%	13 6.5%	3.24	1.30	2 <sup>nd</sup>
2.	On January 1 <sup>st</sup> 2012, president Goodluck Jonathan removed all subsidies from petroleum product.	51 25.5%	106 53.3%	36 18.1%	6 3.0%	2.62	1.42	4 <sup>th</sup>
3	No petroleum subsidy has been introduced in Nigeria since 1960	17 8.6%	48 24.4%	99 50.3%	33 16.8%	1.08	1.56	7 <sup>th</sup>
4	Petrol was sold for N65 before petroleum subsidies was removed in January 1 <sup>st</sup> .	60 30%	131 65.5%	3 1.5%	6 3.0%	3.27	0.83	1 <sup>st</sup>



5	I learnt of the removal of fuel subsidy through the mass media.	118 59.0%	42 21.0%	10 5.0%	30 15.0%	2.99	1.55	3 <sup>rd</sup>
6	My neighbours told me about the removal of fuel subsidies	44 22.0%	29 14.5%	30 15.0%	97 48.5%	1.32	1.76	6 <sup>th</sup>
7	I realized fuel subsidy has been removed due to the protests carried out	64 32.0%	36 18.0%	37 18.5%	63 31.5%	1.82	1.86	5 <sup>th</sup>

media as a mean score of 2.99 was recorded. More importantly, the positive statements ranked high and the negative ones ranked low. This implies that respondents in the rural areas are well informed on subsidy issues and their sources of awareness are not mere hearsays.

Research Question 2: How does the rural populace perceive the removal of fuel subsidy on their daily living?

Table 2: Responses of respondents to influence of fuel subsidy removal on daily living

From table 2 the average mean score of respondents who perceived that the removal of subsidy led to an increase in the price of foodstuff was 2.53. This ranked highest among the seven lists of perceptions. This was followed by a mean score of 2.32 on respondents who perceived that they now pay more for their children’s education because of the subsidy removal. Increase in transportation fare was also perceived to be an area the fuel subsidy affected the daily living of the

respondents. A mean score of 2.29 was recorded and it also ranked 3<sup>rd</sup> in the list of perceptions. Moreover, a low mean score on responses in

	STATEMENTS	SA	A	D	SD	Mean	Std. Deviation	Rank
1	The removed subsidy led to an increase in the price of food stuffs	72 36.2%	72 36.2%	46 23.1%	9 4.5%	2.53	1.63	1 <sup>st</sup>
2	I now pay more for my children's education because of fuel subsidy removal	58 29.9%	73 37.6%	51 26.3%	12 6.2%	2.32	1.67	2 <sup>nd</sup>
3	Transportation fare is now high because of the removed fuel subsidies	53 26.6%	81 40.7%	53 26.6%	12 6.0%	2.29	1.65	3 <sup>rd</sup>
4	Since the removal of fuel subsidy, I have more business opportunities	10 5.1%	20 10.2%	99 50.3%	68 34.5%	0.51	1.21	6 <sup>th</sup>
5	The standard of my family has fallen since the removal of the fuel subsidies	40 20.0%	75 37.5%	59 29.5%	26 13.0%	1.93	1.70	4 <sup>th</sup>
6	Movement of crop and other commodities is now a problem because of the high cost of transport	44 23.5%	54 28.9%	68 36.4%	21 11.2%	1.81	1.76	5 <sup>th</sup>
7	Unemployment has reduced since the removal of fuel subsidy	10 5.1%	19 9.6%	92 46.5%	77 38.9%	0.49	1.20	7 <sup>th</sup>

the areas of business opportunities, standard of living, transportation of crops and unemployment was recorded. This implies that since food production and consumption is one of the primary needs for survival by the rural populace, it can be inferred that the influence

of fuel subsidy removal is much more felt by the rural populace in these areas. Similarly, fuel subsidy removal has led to reduction in business opportunities and has in no way helped solve the problem of unemployment.

Research Question 3: What is the influence of fuel subsidy removal on a rural populace perception of governance?

Table 3: Responses of respondents to the influence of fuel subsidy removal on a rural populace perception of governance

From table 3, a mean score of 2.59 showed that respondents perceived of government as not being ready to seek the consent of the masses before they implement policies. This ranked 1<sup>st</sup> among the list perceptions followed by an average mean score of 2.56 which showed that respondents do not perceive fuel subsidy as being a solution to Nigeria’s problems. Table 3 also showed that respondents’ perception of governance as being influenced by the fuel subsidy removal is very low. The rural dwellers perceive of governance in Nigeria to be that which is uncaring towards the masses and would not channel the subsidy funds to the development of the rural areas.

	STATEMENTS	SA	A	D	SD	Mean	Std. Deviation	Rank
1.	The revenue from fuel subsidy removal will surely be channelled towards rural development	20 10.1%	56 28.1%	88 44.2%	35 17.6%	1.25	1.61	7 <sup>th</sup>
2.	Fuel subsidy removal is just one among many wrong policies government makes	51 25.6%	87 43.7%	51 25.6%	10 5.0%	2.34	1.61	4 <sup>th</sup>
3	Fuel subsidy removal is an example of politicization of economy	35 17.7%	106 53.5%	43 21.7%	14 7.1%	2.31	1.52	5 <sup>th</sup>

4	I believe Government should be given a benefit of doubt on the subsidy issue	18 9.0%	124 62.3%	29 14.6%	28 14.1%	2.23	1.44	6 <sup>th</sup>
5	Fuel Subsidy removal is not a solution to Nigeria's problems	54 27.3%	97 49.0%	41 20.7%	6 3.0%	2.56	1.49	2 <sup>nd</sup>
6	I rate the current government high over fuel subsidy issue	14 7.1%	44 22.2%	98 49.5%	42 21.2%	0.95	1.50	8 <sup>th</sup>
7	Fuel subsidy removal is demonstration of government uncaring attitude towards the general populace	57 28.6%	88 44.2%	49 24.6%	5 2.5%	2.47	1.57	3 <sup>rd</sup>
8.	Government has demonstrated that they don't need our consent before they implement any policy.	62 31.0%	90 45.0%	39 19.5%	9 4.5%	2.59	1.52	1 <sup>st</sup>

More importantly, it is agreed that fuel subsidy is just one among the many wrong policies made by the Nigerian government.

#### Discussion

The study has found out that the rural populace under study was aware of fuel subsidy removal and the source of their awareness is predominantly the mass media. This finding is in contrast with UNEP (2003) which stated that as regards fuel subsidy removal, urban dwellers are most hit than rural dwellers. However, the finding aligns with the view of UNDP (2011) that rural areas now have high presence of technological devices that gives them first hand access to information on governance and are also significantly affected by the fuel subsidy removal policy. The reason for this may not be

farfetched from the fact that Akinyele local government area has shared characteristics of urban areas, a situation in which population literatures now refer to such areas as peri – urban areas.

Moreover results generated revealed that the rural populace has a negative perception of the removed subsidies. These findings are in accord with a study carried out by the UNEP (2003) which argues that international experience indicates that the results of subsidy removal have been mixed, that elimination of subsidies on essential commodities has been known to precipitate social dislocation and in the extreme led to street riot and civil strife. Also, influence of fuel subsidy removal is felt more by the rural populace in terms of increases in the prices of food stuff and transportation. These findings are also supported by the UNEP (2003) that the impact of increased fuel prices will be most felt on transportation. On a similar note, Kwasi (2012) noted that the implication of subsidy removal will be inflationary pressures.

Similarly, the findings showed that because of the removed fuel subsidies, the rural populace felt that government does not need their consent before implementing policies and that the government does not care about their needs. They also berate governance and ascertain that the subsidy removal is in no way a solution to Nigeria's problems. This finding aligns with the view of George (2012) that the nation has only continued to witness depreciation in standard of living and a pauperization of the Nigerian populace.

### Conclusion and Recommendation

This study has looked at the influence of fuel subsidy removal on a rural populace perception of governance. It has shown that even the rural dwellers are aware of governments' removal of fuel subsidy removal and insist that it is not the solution to Nigeria's problems. It has also shown that the policy has an adverse effect on the living conditions of rural dwellers though they are standing up to its challenge. By implication, the rural populace perception of governance is low and this speaks ill of political development in Nigeria.

The study therefore recommended that government should

be sincere with the implementation of the subsidy removal policy otherwise the masses are ready to decline support for even positive policies it intends to enact. Also, government should make appropriate and adequate consultation before making or executing any policy especially those that would have a direct impact on the populace including the rural dwellers.

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