POLITICS OF PALLIATIVES AND THE PLIGHT OF LOW-INCOME EARNERS IN NIGERIA: AN ANALYSIS OF THE POST-2023 FUEL SUBSIDY REFORMS

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Abstract

Government efforts to mitigate the effects of the 2023 fuel subsidy reforms on low-income earners through the rolling out of palliative measures suggest incidences of elite-capture and patrimonial tendencies. This paper examined the nature of the palliatives measures introduced after the fuel subsidy removal in May 2023. Anchored on neo-patrimonialism as its theoretical framework, the study adopted a qualitative means of data collection, specifically structured interviews and documentary sources. The findings showed that the nature of the palliative measures introduced by the FGN were grossly inadequate to alleviate the harsh effects of the fuel subsidy reforms on low-income earners. Furthermore, the findings revealed that the palliative measures were largely characterized by political patronage and resource capture. It also showed that lack of central legislative backing for palliative administrations made it impossible for most low-income earners at the sub-national levels to benefit from the supposed government palliatives. That, lack of comprehensive databank of low low-income earners led to targeting errors. Thus, the study concludes that the palliative measures failed to lessen the plights of low-income earners. Therefore, it recommends the introduction of more sustainable social protection measures to mitigate the effect of fuel subsidy and the inflation caused by the reform; the rolling-up of more transparent and people centered palliatives for more efficacy; a comprehensive databank of all low-income earners to avoid targeting errors; the strengthening of public institutions to curb incidences of resource capture and patronage; and the enactment of a legal framework to enhance inclusiveness.

1.1 INTRODUCTION

Governments all over the world, including the top capitalist inclined ones supports the deployment of palliatives measures as means of cushioning economic shocks resulted by stringent market reforms. Besides, the essence of every government notwithstanding the form of government is to enhance the welfare of its citizens at all costs. The string between the state and its citizens is determine by the magnitude of care and concerns it shows in terms difficulties. Thus, the idea of introducing palliatives as state interventions following the removal of fuel subsidies in Nigeria was to ameliorate the economic and social burdens on the citizens (Adinoyi&Kpae, 2024). However, the Nigerian scenario unlike it is obtainable of other countries across the globe presents a contrary character. Though the original idea was to provide for a compensatory means to citizens following sharp increase in prices commodities and services due to the subsidy reform, the administration of the palliatives were obviously not about genuine welfare but were marred by political concerns of patrimonial reasons and patronage.

Following President Bola Ahmed Tinubu announcement on May 29, 2023 during his Inaugural Speech bordering on removal of fuel subsidy reforms, Nigerians were thrown into an era of uncertainty and penury which breeds so much ugly experiences. The economy policy came with many anxieties and welfare challenges. Gbadebo (2025) assert that the reform had chain effects on the Nigerian economy and negatively impacted all facets of citizens' livelihoods. Prices of essential needs skyrocketed due to inflation and high standard of living, transportation cost, prices of food commodities and services significantly increased thereby eroding the income value of low income earners especially those in formal employment (Zingdul&Adeniyi, 2026). As a compensation of the reform the government introduced palliative measures including the introduction of CNG options to aid transportation, wage award to civil servants, cash transfers to poor and vulnerable households all the aforementioned were targeted at low-income earners.

The government disbursement of the sum of N5bn palliative to all states of the federation, including the Federal Capital Territory to ameliorate the impact of the removal of fuel subsidy to enable them buy food items and fertilizers for the poorest of the poor. Secondly, the Federal Government after negotiations with the organized labour agreed to pay every federal government employee the sum of N35, 000.00 as wage award. Also, the government suspended the collection of Value Added Tax (VAT) on Diesel for a period of six months, and it also promised the provision of high capacity CNG buses for mass transit in Nigeria with effect from November 2023. The sum of N25, 000.00 was given to poor households for three months to cushion the effects fuel subsidy removal (Channels News July 17, 2023).

Conversely, the reality suggests a complicated political dynamic and maneuvering in which the designated palliatives did not get to the targeted populace. Evidences from different quarters indicate policy inconsistencies, disbursement cumbersomeness, and targeting errors among many and so on (Adinoyi&Kpae, 2024; Yahuza, et al., 2023). In order to mitigate the inflationary effects of the Fuel Subsidy Reforms on livelihoods, the Federal Government of Nigeria rolled out interventions plans popularly known as palliatives measures. These measures were inform of cash transfers, transport subsidies, payment of wage award to civil servants, and provision of subsidized food items to support low income earners mitigate the effects of reform and support their dwindling purchasing power.

1.2 Statement of the Problem

Many studies have examined the impact of fuel subsidy removal on the welfare and capabilities of individuals and households (Omotoso, 2019; Niagwan&Maisamari, 2024; Abdulyakeen&Mumuni, 2024; Uko, et al., 2024; Zingdul&Adeniyi, 2026). Whereas, there is no known study that has examined the efficacy of government palliatives in mitigating the effects of the 2023 fuel subsidy reforms on low-income earners. Thus, this study is motivated by the following concerns. First, the lack of sufficient empirical studies that interrogate the efficacy of the palliative measures rolled out by government to mitigate the effects of fuel subsidy removal on low-income earners. Secondly, there is no known study that examined the power dynamics that characterized the administration of government palliatives through the lens of neo-patrimonialism. This concerns if addressed will ascertain whether the post-subsidy reforms palliatives are truly welfare based or are a reflection of the Nigeria's neo-patrimonialism.

1.3 Objectives of the Study

The main objective of the study is to interrogate the character of government palliatives introduced after the removal of fuel subsidy in 2023 with a view of ascertaining its efficacy.

The specific objectives of the study include:

i. To examine how patrimonial structures shaped the administration of government palliative measures introduced to cushion the effects of 2023 fuel subsidy removal.

ii. To assess the efficacy of the palliatives measures on the welfare of low-income earners.

1.4 Conceptual Clarifications

Palliatives

Palliatives are government actions or decisions that are designed to ameliorate difficult situations occasioned by stringent government policies. Thus, palliatives are measures taken with the intention of providing relief in difficult situations. In this context, palliatives are defined as compensatory measures implemented by the Nigerian government to its citizens specifically the low income-earners mitigate the effects of fuel subsidy removal in 2023.

Low-Income Earners

Low-Income Earners are individuals in the society that belongs to low economic class and are mostly found in low civil service employment and the informal sector. According to Kiran Herbert (March 18, 2021) a Communication Manager, a low-income earner is an individual whose family's taxable income for the preceding year did not exceed 150% of the poverty level. These category of people are usually unable to absorb poverty shocks, thus, they are vulnerable to situations that precipitates poverty. This study defines informal workers as all persons that do not fall in the category of high class in Nigeria.

2.1 Literature Review

Studies have extensively discussed the reasons that warrant the introduction of fuel subsidies in Nigeria and also the eventual wanton corrupt practices that characterized the subsidy regimes which amounted to high fiscal costs on the Nigerian government (Abdulyakeen&Mumuni, 2024Niagwan &Maisamari, 2024; Olayinka et al., 2024). Literatures have also argued that the removal of fuel subsidy is a necessary because it will free

up resources that could be used for the benefit of all Nigerian populace at the long and gives everyone a sense of belonging (Aligbe&Momoh, 2023). Though these arguments are apt, it left out a crucial debate as to why the Federal Government palliative regime failed to resolve the immediate economic pains occasioned by the subsidy reforms, specifically, on low-income earners. Thus, this study is set out to provide empirical evidence in this regard.

Past studies have acknowledged that government palliatives such as cash transfers, wage award and transport subsidies indicated that the government passionate about ameliorating the impact of the subsidy removal through the rolling out of some compensatory means after the said fuel subsidy reform (Adinoyi&Kpae, 2024; Magaji, et al., 2025). There is no known study that interrogated why the palliative measures in Nigeria are often largely symbolic rather than guaranteeing sustainability and poverty reduction amidst the economic policy as expected. This study in response to the need to fill in such examines the said palliatives to ascertain whether it got to the targeted persons specifically the low income earners in order to unravel the earlier observation of perceived patronage networks.

Empirical studies on Nigeria fuel subsidy removal concentrated on the immediate triggers that exacerbate negative impact on the welfare of citizens for instance rising inflation, eroded purchasing power, high standard of living and diminished capabilities (Abdulyakeen&Mumuni, 2024; Zingdul&Adeniyi, 2026). Though the studies were conducted at different times, what remains underexplored is why the Federal Government palliatives introduced to mitigate the economic hardship associated with the reform failed to curb the plights of low-income earners a gap this study addresses.

2.2 Theoretical Framework

This study is anchored on the neo-patrimonialism. The theory as formulated by Bratton and van de Walle's in 1986 postulates that states now exists to serve the parochial interests rather than serving the collective good of the societies. The framework emphasizes how contemporary government structures in Africa were influenced by colonial legacies to serve patrimonial interests, in which a government distributes or allocate resources to its citizens based on favouritism to maintain patronage networks (Van de Walle, 2003; Opalo, 2012). Neo-patrimonialism is associated with the habitual character of African states where governance is treated as personal enterprise without any regard for merit.

Neo-patrimonialism is particularly suitable for the analysis of the post-2023 fuel subsidy palliatives in Nigeria for the reasons that of its major postulation on the usage of state resources to gain patronage. We observed that in the Nigeria situation redistributive policies are often skewed to the benefit of political cohorts and not the genuine needy. The Nigerian ruling elite's sees public resources as their personal belongings as such they used it for their own self-interest rather than public good (Zingdul&Kassem, 2026). Thus, neo-patrimonialism offers a suitable framework for the analysis of the post-2023 fuel subsidy palliatives distribution in Nigeria. This is due to the reasons that, the foundational postulation on neo-patrimonialism supports resource-capture for parochial and patronage purposes, which can negatively affect the efficacy of redistributive policies like the post-2023 fuel subsidy government palliatives measures.

3.1 Methodology

This study employed a qualitative mixed design method which comprises of interviews and documentary sources to collect data. The qualitative research design enables the researcher the opportunity to gain more insights on social phenomenon (Ganapathy, 2024). This approach was considered most appropriate because, the efficacies of the post-2023 subsidy palliatives can best be ascertained through the combination of documentary evidence and interactions that can give real insights on the feelings and life experiences of the target respondents, which may not be adequately provided by a quantitative means. Through relevant documents and real life experiences, the qualitative method ensures the triangulation of data and a better understanding of how patrimonial networks shape redistributive policies.

Data were collected through interviews and documentary sources. The interview was conducted on 12 low-income earners were purposively selected in order to ensure the relevance. The documentary sources include scholarly journal articles, book materials, government reports, and newspaper publications. Those interviewed included labour leaders, workers in both the formal and informal sectors. The number of interviews conducted was justified on the basis of data saturation which further interviews may lead to repetition as indicated by occurring themes. The sample size was carefully considered to ensure manageability while maintaining relevance, reliable insights, and validity.

The interviews were recorded and transcribed verbatim. This, together with the documentary data were analysed using thematic content analysis means. Coding was done based on information relevance to the objectives of the study. The integration of data from interviews and documentary evidence ensured triangulation and validity. Ethical standards were upheld throughout the study process.

4.0 Findings

4.1 Federal Government of Nigeria Post-Fuel Subsidy Palliative Measures

In an attempt to address inflationary effects of the 2023 subsidy reform, the Federal Government introduced palliatives to cushion the effects on low income earners. The said palliatives including payment of N35, 000.00 monthly wage awards to federal workers for six months, monthly payment of N25, 000.00 cash transfer to 15 million poor households, provision of CNG buses to provide cheap transportation services (Channels News, July 18). However, this seems to be unrealistic or audio achievement as respondents consistently emphasized the inefficiency of the palliatives.

“These palliatives as announcedcannot mitigate this hardship at all. What can N35, 000.00 or N25, 000.00 do for a family of even three persons? Can we say 15 million households are the only households affected by the subsidy removal? I do not thing these measures can resolve the problem of this reform” (KII Respondent, Teacher).

“I have been hearing about these palliatives, but sincerely, I don’t know anyone that has benefited from it. May be it is because I am not a civil servant, but the government that was given to my household was during Buhari when were given N5, 000.00 monthly” (KII Respondent, Farmer)

“Even if everyone receive this N25, 000.00 I don’t think it can mitigate the effect of the subsidy removal, because transportation fare and

prices of commodities have really gone-up" (KII, Composite Response).

"I expected the government to introduce price control mechanisms instead of giving money that cannot sustain households. In fact most of these palliatives are shared for people that know someone in government rather than being shared to the poor (KII Respondent, Community Youth Leader).

"All the CNG vehicles that they have been talking about are only found in city centers. I have not seen any CNG vehicle here since the announcement of palliatives. Is only now that some tricycles are I know are using Gas but they are still charging same amount with others that uses petrol" (KII 4 Respondent, Public Official).

4.2 How Political Patronage Shaped the Administration of the Palliatives

The Governor of Borno State after the National Executive Council Meeting of 17 July, 2023 announced that all State Governors were given N5, 000,000,000.00 each to roll out palliative measures in order to cushion the effects of the subsidy reforms (Channels Online News, 2023). The money was to be used for the purchase of food items and other essential commodities. However, evidence from the field with respondents indicates that the disbursement processes were characterized by patronage.

"Though I got two bags of fertilizer from the state government as palliatives; thank God for my cousin brother who facilitated it" (KII Respondent, Farmer)

"The N25, 000.00 monthly cash transfer was given to N15, 000.00 poor households and the beneficiaries were directly drawn from the National Social Register domiciled with the State Operating and Coordinating Unit (SOCU) we at the National Cash Transfer Office (NCTO) only mined the names of beneficiaries from them and send the names to Abuja for implementation" (KII 8 Respondent, NCTO Official)

"We compile the names of poor households in each locality together with the community leaders. We assess the households based on physical criteria such as assets owned by every household" (KII Respondent, SOCU Official)

Despite claims that due process were followed in the selection of beneficiaries, respondents consistently maintain that non-poor were given the palliatives, whereas, those with considerable means of livelihood were favoured.

"The palliatives were not given based on needs but on political patronage. If you are close an influential person in government you will get it. The last time fertilizer was shared I got to know about it after three weeks" (KII Respondent, Farmer)

"The federal government wage award meant for FG employees has not been paid in full as at today despite the promises we got from the government" (KII 10, Federal Government Worker)

4.3 The Efficacy of the Government Palliatives Measures on the Welfare of Low-Income Earners

The President of the Nigerian Labour Congress Comrade Joe Ajaero corroborated this position during an interview with the State House correspondents after a meeting that led to the suspension of its proposed indefinite strike of October 3, 2023 when he maintained that, all Nigerian Workers are low income earners considering the N30, 000.00 minimum wage regimes. He explained that as a result, Nigerian workers are presently struggling to meet up with basic needs of life as a result of prevailing rise in

prices of commodities, transportation fare and services caused by the removal of fuel subsidy.

Similarly, Amnesty International argued that the decision to remove fuel subsidy has left millions of Nigerians in a situation of uncertainty as most individuals' faces real challenges in affording their basic needs (Channels News, June 1, 2023). A Key Informant recounted:

"Though I have been an advocate of the removal of the fuel subsidy for too long, I strongly believe that this particular one was not properly done. It was abruptly announced without measures to support livelihoods in order to mitigate it effects" (KII Respondent, Public Affairs Analyst)

"We lost one of our colleagues because of hardship. Our salaries are eroded by inflation. Even the wage award palliatives promised by the government have not been paid. So this subsidy reform is a big challenge to every salary earner because it has completely diminished our purchasing power" (KII Respondent, Public Servant)

"We are constraint in so many ways because of this reform. I expect the government to at least consider the effect of this reform on our welfare before anything else. At least viable cushioning mechanisms would have been put in place not the current palliatives oh; because these set of palliatives are not effective" (KII Respondent, Teacher)

"Because of this fuel subsidy reform, I had to change my children school because of hike in transportation. What use to be N300 is now N1200" (KII Respondent, Civil Servant).

Also, available evidence from the findings suggests that there is no visible impact of the shared N5bn palliative as stated above as some beneficiaries vehemently rejected that the money benefited them.

"The major beneficiaries of the subsidy removal and the palliatives are the state governors. They got bogus subventions as a result of the reform and also got palliatives funds" (KII Respondent, Civil Servant)

4.4 Discussion of Findings

The findings revealed a patrimonial system within the Nigerian state where State Governors serves as gatekeepers in the delivery of government palliatives rather than having a transparent selection process that is fair to everyone. This evidence reinforces the main proposition of neo-patrimonialism as stated by Van de Walle which emphasized that political patronage and favouritisms are the basis for the allocation of public goods rather than genuine reasons and needs. The roles played by the State Governors in the administration of the Post-Subsidy reforms reflect the true character of patrimonial tendencies within the Nigerian state.

The findings of this study g credence of extensive scholarship on the character of redistributive policies in Nigeria which is largely characterized by elite-mediation. Anchored on neo-patrimonialism, the administration of the post-2023 subsidy reforms displays how pro-poor policies are consistently captured by the powerful individuals for the purpose of for the purpose of political patronage. This supports Opalo, (2012) assertion that powerful patrimonial networks entrenches supports the capture of public goods by powerful structures for the purpose of consolidating their political relevance.

5.0 Conclusion

The fuel subsidy reforms of 2023 ushered in an economic era in Nigeria that impacted

livelihoods in a severe manner. Though the reform ended the controversial petroleum subsidy regime of many decades, its impacts on the larger population of the Nigeria citizens particularly, the low-income earners represent a terrible economic experience. This paper argued that the compensatory measures rolled out in form of palliatives to mitigate the effects of the reform was primary shaped patrimonial networks at the expense of the ideals of social protection. Our findings suggest the government palliatives instead of providing reliefs as per redistributive means were extensively used to strengthen patronage politics rather than supporting the poor and vulnerable persons as envisaged.

The study exposes the patrimonial character of the Nigerian state especially its style of governance as it affects the power dynamics that shapes political relationships. The political economy within the Nigerian state as it surrounds redistributive and pro-poor policies reflects parochialism rather than genuine commitments to the welfare of its teeming population. Thus, the study contends that effective redistributive policies can only be anchored on strong institutions that support people-driven approach of social protection.

Future study should consider a comparative analysis of how other countries with similar experience as regards fuel subsidy regime and compensatory means effectively managed their early challenges, to enable the Nigerian state review its earlier response with a view of improving the welfare of its citizens especially those within the low-income bracket.

6.0 Recommendations

i. This study recommends the entrenchment of sustainable social protection measures that can genuinely enhance the welfare of low-income earners in times stringent economic reforms.

ii. The institutionalization of transparent and rules-based targeting mechanisms that are people centered that can guarantee the effective delivery of pro-poor and redistributive policies that can actually support the welfare of low-income earners.

iii. The compilation of a comprehensive databank of all low-income earners that can be verified in order to enhance the transparency of targeting and enrolment of deserving individuals in order to avoid targeting errors.

iv. The establishment of a legislative framework mandates all sub-national government involvement in the deployment of compensatory measures like the fuel subsidy removal palliatives for enabled effectiveness and accountability.

v. The short term nature, of palliative is another thing that has shortchanged the low income earners in Nigeria, for instance it is five months since the removal of fuel subsidy and nothing has been done to cushion its accompanying effects. Whereas, the proposed palliatives are designed to serve a short period of 3-6 months in most cases.

vi. Encourage the non-politicization of redistributive policies and support the genuine deployment of pro-poor policies.

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