

An Assessment of the Impact of Fuel Subsidy Removal on National Security in Nigeria

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Abstract

This article assesses the impact of fuel subsidy removal on national security in Nigeria. Secondary data sources were employed for the study and analysed through qualitative method. Theoretically, Relative Deprivation theory was adopted to explain the causal relationship between fuel subsidy removal and national security in Nigeria. Findings of the study revealed that the removal of fuel subsidy has impacted negatively on the domestic national security of Nigeria as a result of its multiplier effects on the national economy. In addition, the study reveals that the government has introduced poverty alleviation incentives such as food distribution, conditional cash transfer, tertiary students loan scheme, etc to cushion the effects of the fuel removal on the citizens. Furthermore, finding of the study indicates that despite these palliative measures, the policy has led to increase in cost of living, food scarcity, unemployment and various forms of criminal activities such as armed banditry and kidnapping, corruption, property crimes, cybercrimes, armed robbery, ritual killing, and civil disobedience across the country with negative consequences on the management of Nigeria's national security. Consequently, the study recommends for establishment of modular refineries and repairs of existing ones in order to cut the level of importing refined petroleum products, transparent governance, accountability, and effective regulatory frameworks to reduce opportunities for corruption and foster public trust in distribution of essential goods and services to vulnerable populations; create employment and skills acquisition opportunities to reduce youth unemployment and criminal activities that have negative impact on the national security of Nigeria.

Keywords: Assessment; Fuel Subsidy; Impact; National Security; Nigeria; Subsidy Removal

Introduction

The size of global fossil fuel subsidy is large and it is estimated by the International Energy Agency (IEA) to stand at \$1 trillion in 2022 from \$325 billion in 2018. This amount is significantly higher than the value of global aid

which was estimated at \$204 billion in 2022 and larger than the combined government revenues of developing countries in the world (Ozili&Obiora, 2023). This has led to calls by global financial institutions such as the World Bank and International Monetary Fund (IMF) for the removal of global fossil fuel subsidy so that the saved funds can be channeled towards assisting the poor and vulnerable categories of people in dire need of humanitarian assistance in developing countries (Courhard&Mouhoud, 2020). However, the removal of fossil fuel subsidy is contentious because there is the argument that fossil fuel subsidy is a form of aid that makes fuel more affordable for the poor (Ozili & Obiora, 2023). In other words, fuel subsidy is important because it sustains welfare, lowers and stabilize prices, supports and sustains industries, and stimulates economic growth (Nes Group, 2023).

On the contrary, other scholars such as Widodo, Sahadewo, Setiastuti & Chaerriyah (2012) are of the view that fuel subsidy has been a poor policy tool for governments. Their counter-claim is based on two major arguments. First, the implementation of fuel subsidy scheme which was introduced since 1967 is restricted to fuels as opposed to subsidy transferred to targeted households or industries. Secondly, there has been no restriction on the purchase of subsidized fuel in retail outlets. Every household, both poor and rich, has equal chance to buy subsidized fuel (IEA, 2008). Consequently, the impact of the policy is unequal distributive effects, in terms of efficiency in resource allocation. Fuel subsidy also hinders the ability of ministries to expand their expenditure function to some extent (Widodo *et al.* 2012). In addition, the fuel subsidy policy increases opportunities for corruption and fraudulent activities. This is why there have been agitation for subsidies removal in many countries.

In Nigeria, the reason for fuel subsidy removal is predicated on the argument that the economy has been subsidized in various ways for many years including education, electricity, forex, etc. (Yunusa, Yakubu, Emeje, Ibrahim, Stephen & Egbunu, 2023). The adverse effects of these various subsidies on the national economy have been enormous. For example, in 2022, the federal government disclosed that payment for petrol subsidy costs the Nigerian Government over N250 billion monthly. Thus, in a year, the government spends over three (3) trillion naira on subsidy and this is likely to increase if crude oil price increases globally. The implication for this huge fuel subsidy is that it starves other sectors of budgetary allocation. For instance, in 2023 budget, only N820bn (5%) was allocated to the entire health sector, while education got N1.29 trillion (7.9%) in a country of over 200 million people (Youth Party, 2023).

The previous administrations in Nigeria particularly those of former Presidents Obasanjo, Jonathan and Muhammadu Buhari made concerted effort toward removing the subsidy removal policy. Each of them played different respective role in laying the foundation to actualize the full implementation of the policy despite public resistance and protest by organized labour unions as well as civil society organizations. Based on these developments, fuel subsidy was removed

by President Tinubu upon assuming duty as the President of the Federal Republic of Nigeria on 29th May, 2023. After the fuel subsidy removal, petrol prices have nearly tripled in Nigeria, angering unions and causing a spike in cost of transportation as well as goods and services in the country. It has also hit small businesses and millions of households who rely on petrol generators for power due to intermittent grid supply (Aljazeera, 2023). Furthermore, the potential knock-on effects of the fuel subsidy removal policy on the daily lives of Nigerian citizens in terms of cost of living were highlighted by Amnesty International Nigeria (2023).

To cushion the unintended effects of this policy on the citizens, the government has introduced numerous poverty alleviation incentives such as food distribution, conditional cash transfer, tertiary students loan scheme, etc. Notwithstanding these palliative measures, the policy of subsidy removal has led to increase in cost of living, food scarcity, unemployment and various forms of criminal activities such as armed banditry and kidnaping, corruption, property crimes, cybercrimes, armed robbery, ritual killing, and civil disobedience across the country with negative consequences on the management of domestic national security. In view of the foregoing background, this article assesses the impact of fuel subsidy removal on national security in Nigeria.

Conceptual Review

Fuel Subsidy Removal: The word “subsidy” is a Latin word called *subsidium* which means reserve troops, support or assistance. Subsidy can therefore be seen as a grant of financial aid from the government used to maintain the prices of a particular item at a certain level. To subsidise is to sell a product below the cost of production, fuel subsidy, therefore, means to sell petrol below the cost of importation (Yunusa *et al.* 2023). Subsidies are direct or indirect payments made by the government to businesses or individuals. Direct subsidies involve cash payments from the government to the recipient. Indirect subsidies, on the other hand, it is where industries or households enjoy certain economic benefits from government policies, such as tax breaks. Subsidies are generally implemented to promote consumption and production. For instance, if the government makes direct payments to rice farmers, this could increase rice production by reducing the production costs accruing to the farmers. This is an example of an agricultural subsidy (Nes Group, 2023).

Removal of fuel subsidy simply means the government not paying for the difference between pump price and the actual cost of importing or locally produced fuel anymore. It technically means full deregulation of the downstream sector to pave way for vibrant competition by other interested investors. With the removal of fuel subsidy, fuel will have to be sold in accordance with the prevailing market price based on the actual cost of importation or production (Yunusa *et al.* 2023).

In the context of this article, the term “fuel subsidy removal” can be defined as a policy that results in the stoppage or cutting of government’s payment of money on fuel price as a support to petro-gas companies, thereby increasing fuel price to the public”.

National Security: The term security can be understood from the classical view point which linked the concept to the Latin word ‘Securitas’ which imply state of tranquility and freedom from threat. Thus, the concept is widely view as absence of threat to the lives and property of people. Despite this understanding, the concept is one of the controversial issues in both international relations and domestic or homeland security literature. Traditionally, the concept is defined from the state centric perspective thereby making state as the primary referent object of security. The traditional view of security implies that security is all about the defense of the state from potential threat especially those that emanate from external sources. Specifically, the traditional notion of security is concerned with use of military means to deal with threats that affect the unity, territorial integrity and sovereignty of a state. Consequently, the adoption of this idea by a sovereign entity or state is known as national security.

National security from the traditional perspective is defined by Louw (1978) as the state of being free from external physical threats. This definition is in line with the position of Lippmann (1943) which is that “ a nation has security when it does not have to sacrifice its legitimate interest to avoid war, and is able if challenge to them by war” However, following the changing nature of the global security threat after end of Cold War in 1991, the definition of national security was broadened from the restrictive state centric focus to accommodate nontraditional security threats under the human security paradigm following the report of United Nations Development Programme (UNDP) on Human Development in 1994. With human security approach, the focus of scholarly discourse on security was shifted from physical threat or violence that affect the state to human security issues (BindenagelSehovic (2018). Furthermore, a view that defines national security solely from the military perspective within the intricacies of twentieth century international politics is inadequate. Thus, national security can be broadly defined as the measures taken by a state to ensure its survival, safety and well-being of the citizens against external and internal threats. In other words, national security is the protection of the entire state and its people from external and internal attack and other existential threats.

Theoretical Framework

The study is anchored on the assumptions of Human Security approach. Human Security framework was developed by the United Nations (UN) in 1994 following the UNDP reports on Human Development. The key objective of the framework according to Alkire (2003:15) is to “safeguard the vital core of all human lives from critical pervasive threat, in a way that is consistent with long-term human fulfilment”. With this objective, the core areas of concern for

human security framework were constructed into seven parts comprising, economic, food, health, environmental, personal, community, and political security respectively. The economic security is concerned with creation of employment, access to social safety nets, and poverty, food security is aimed at addressing hunger and famine problems, health security is directed at diseases, unsafe food, malnutrition and lack of access to basic health care issues, personal security focuses on physical violence, crime, terrorism, domestic violence, and child abuse, community security focuses on ethno-religious and other identity conflicts, and political security is predicated on issues relating to political repression and human rights abuses (UNDP, 1994).

Based on the foregoing explanation of the basic tenets of Human security framework, the issue of fuel subsidy removal can be viewed as a policy that has impact on Nigeria's national security. For instance, media reports indicate that many citizens attribute the decline in the standard of living in Nigeria to increase in cost of goods and services. The economic hardship which many Nigerians believe is induced by the fuel subsidy removal has also led to increase in criminal activities across the country. These crimes include economic and financial crimes among public servants because their salaries cannot cater for their family needs, property crimes because of poverty, prostitution and violent crimes among youths who are frustrated by the economic system. This development has led to nationwide protests which have been characterized by violence resulting in loss of lives and destruction of both public and private properties.

Many of the protesters anchored their grievances on the level of hunger and starvation due to scarcity and increase in prices of foods and other essential commodities such as beans, rice, yams, vegetable cooking oil, and others as a result of the fuel subsidy removal. This development therefore supports the argument by Anike (2019) that the issue of food insecurity in any country is a serious national security threat. As such, food security in relation to human security framework according to Food and Agriculture Organization (FAO) "is a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for active and healthy life (FAO, 2016)".

The above definition by FAO therefore suggests that absence of food security in a country implies the existence of food insecurity which is also defined by the Expert Panel of the American Institute of Nutrition and Life Science as a condition that prevails "whenever the availability of nutritionally adequate and safe foods, or the ability to acquire acceptable foods in socially acceptable ways, is limited or uncertain" (Expert Panel, 1990). This definition underscores the implication of not having food security or avoiding food insecurity to the individuals or citizens and well as the country. In other words, food security or insecurity has a serious bearing on the socio-economic and political stability of a country which is one of the major focuses of national security. Given

established correlation between economic hardship that followed fuel subsidy removal and increase in criminal activities, particularly among vulnerable members of the societies, then human security framework is relevant in understanding how the policy impacts on the national security of Nigeria. For instance, analysis of nationwide hardship protest suggests that the fuel subsidy removal impacted negatively on the economic, community, and personal security of the citizens as envisaged by the human security framework. The incident also affected the internal component of Nigeria's national security as Police and other security agents were overstretched in a bid to restore peace and stability in the affected states as well as provide community and personal security to individuals and their property.

Methodology

The study adopts descriptive research design as it sought to assess the impact of fuel subsidy removal on national security in Nigeria. The study uses secondary data to address the objective of the study; that is, the impact of fuel subsidy removal on national security in Nigeria. In other words, the data has been generated from textbooks, journal articles, newspapers, internet materials and conference papers. The technique of data analysis adopted in the study is qualitative in nature. This is important as it informed the impact of fuel subsidy removal policy on the security in the country. By doing so, the country can take into cognizance the security implications of its overall national economic and security policies.

Brief History of Fuel Price Adjustment and Subsidy Removal in Nigeria

Fuel subsidies began in the 1970s and became institutionalised in 1977, following the promulgation of the Price Control Act which made it illegal for some products (including petrol) to be sold above the regulated price. While the concept of subsidy itself is noble, its administration in Nigeria has been plagued with serious allegations of corruption and mismanagement. On another account, the history of the fuel subsidy in Nigeria dates back to April 1992 when Ibrahim Babangida government raised the price of a liter of fuel from 15.3 kobo to 20 kobo. He did it again on March 31 1986, from 20kobo to 39.5kobo, on April 10 1988, from 39.5kobo to 42kobo. On January 1, 1989, he increased the price from 42kobo to 60kobo. Although the regime said the increase in price was for private vehicles only, but the price remained 42kobo for both private and commercial vehicles (Yunusa *et al.* 2023).

On December 19, 1989, it moved to a uniform price of 60kobo. On March 6, 1991, the price of a liter of fuel was increased from 60k to 70kobo and that was the price when he stepped aside in August 1993. Chief Ernest Shonekan interim government increased the price of a liter of fuel from 70k to N5 on November 8, 1993 but a hectic mass protest, saw Abacha take over power. The Abacha regime reduced the increment to N3.25 on November 22, 1993. On October 2nd 1994, the Abacha junta increased the price of fuel to N15, from N3.25 but after massive street protests, the regime reduced the increment to N11 on October 4,

1994. That was the price till Abacha passed on and the Abdulsalami Abubakar regime raised the price from N11 to N25 on December 20 1998 and after days of sustained protests, it was forced to reduce the increment to N20 on January 6, 1999.

The administration of President Obasanjo adopted fuel subsidy as the bedrock of its economic policy. Thus, as soon as it was sworn into office, it effected an increment to N30 on June 1, 2000 but was forced to reduce the increment to N25 on June 8, 2000 and further down to N22 on June 13, 2000 due protests and mass rejection. The administration increased the price again to N26 on January 1, 2002 and to N40 on June 23, 2003. The plan was to raise it up to N70 at the end of his tenure in May 2009 but late President Yar'Adua who took over from him reduced it to N65, after general protest against the new price regime (Yunusa *et al.* 2023).

In January 2012, President Goodluck Jonathan increased the pump price of petrol from N65 to N141 but he was forced to reduce it to N97 per litre, due to Labour strike. In January 2015, due to the fall in crude oil price in the international market, the federal government slashed the pump price of Premium Motor Spirit (PMS), otherwise known as petrol, from N97 to N87 per litre. Finally, on May 11, 2016, President Muhammadu Buhari announced that the Federal Government would no longer be paying any subsidy on oil; the price was therefore increased from N87 to N145 (Yunusa *et al.* 2023).

Thirteen years after diesel was deregulated in 2003 by Obasanjo administration, kerosene subsidy was removed in 2016. However, the subsidy on Petroleum Motor Spirit (PMS) has proven to be the biggest challenge to the managers of the Nigerian economy. On an annual basis, a substantial portion of the national inflow is committed to funding the subsidy regime. However, there are good reasons for the astronomical growth in subsidy amount. Some of the drivers responsible include price of crude oil in the international market, volume of PMS consumed albeit debatable, and Naira devaluation. In view of the significance of the amount committed to funding the subsidy regime, there is a need to have a close look at this scheme (Yunusa *et al.* 2023).

Youth Party (2023) argued that there is no justification for spending less than 13% of the national budget on both health and education while 17.5% is allocated to fuel subsidy payment. The situation is even worse, considering the fact that the government is massively borrowing money and heading towards a debt crisis. Thus, it is envisaged that the government will eliminate fuel subsidy due to increasing fiscal monetary pressure in the coming years. Although the monetary reform will certainly bring structural changes in the economy both for the government and for households, the associated structural changes should be evaluated to determine the extent of the impact on the economy and citizens (Widodo *et al.* 2012).

In the year 2022, the Government through the former Minister of Finance, Budget and National Planning, Zainab Ahmed earlier announced that the government would stop subsidy payments on petroleum products in June. Unfortunately, the government reneged on its initial position in a meeting reportedly convened by the former President of the Senate, Ahmad Lawan (Youth Party, 2022). President Muhammad Buhari presented the 2022 budget, and signed the Appropriation Bill into law which signaled the removal of subsidy in June as only N443 billion was appropriated for subsidy payment from January to June 2022. Also, the President signed the Petroleum Industry Act (PIA) which expressly gave the government six (6) months to remove subsidy on petrol and allow market forces determine the price (Youth Party, 2022).

Despite the apparent effort made by Jonathan's administration on fuel subsidy removal, it was Buhari administration and its successor, Tinubu-led government executed the policy (Johnson, 2023). On 29 May 2023, President Bola Ahmed Tinubu declared an end to the era of subsidies, stating that there was no longer any provision for fuel subsidies in the country's budget. This message was met with mixed reactions from a cross section of the country (Pwc, 2023), especially northeastern Nigeria which is a region already suffering from socio-economic and educational backwardness compared with rest of the regions (FAO, 2017). President Tinubu explained that the reason for the removal of fuel subsidy was because the trillions of naira spent yearly to sustain the subsidy were meant to better the healthcare and transportation sector, schools, housing, and national security, among others (Radio Nigeria, January 6, 2023).

Impact of Fuel Subsidy Removal on National Security in Nigeria

Although there are writings which suggest that fuel subsidy removal has positive impacts (IEA, 2008; Widodo *et al.* 2012; Pwc, 2023), it also contributes to security challenges in Nigeria. For instance, according to Federal Republic of Nigeria's national security strategy publication, the country's national security threats in 2014 include global challenges, terrorism, transnational organized crimes, Nigeria's borders, climate change, communal and ethno-religious conflicts, politics and federalism in Nigeria, bad governance, poverty, kidnapping, proliferation of small arms and light weapons, proliferation of weapons of mass destruction, illegal migration, economic challenges, financial crimes, it and cyber security, natural, man-made and medical related threats, and environmental security (FRN, 2014). The removal of fuel subsidy in Nigeria has increased the rates of these crime in the country.

From the public opinions (Albert, 2023; Fadeyi, 2023; Arise News, 15th Jan. 2024), it has been obvious that there is widespread criticism, despite the few reports on the acceptance of the policy (Youth Party, 2022; Pwc, 2023). Albert (2023), in his article titled *Five months into the removal of fuel subsidies in Nigeria, many people are still suffering from the resulting cost of living crisis*, has reported that the fuel subsidy removal is felt acutely in Nigeria, because it

increased the price of essential goods and services in the country. Similarly, Fadeyi (2023), in his article *Fuel Subsidy Removal in Nigeria: A Misstep in Policy Implementation from a Policy Consultant's Perspective*, is of the view that the recent fuel subsidy removal has triggered an economic crisis and adversely affected the lives of millions of citizens. KPMG (2023) reported that average salary increases have generally lagged inflation due to affordability and sustainability issues.

Moreover, despite Nigeria being the largest in Africa and the sixth largest oil producing country in the world, successive Nigerian governments have been unable to use the oil wealth to significantly reduce poverty, provide basic social and economic services her citizens need (Obasi, Ezenkwa, Onwa&Nwogbaga, 2017). By removing fuel subsidy therefore, the government has inadvertently contributed to the rising security challenges in communities and the country at large. As a result of the fuel removal policy, the country has witnessed high incidences of protests, strikes and civil unrests across the regions due to economic hardships. This is because economic security of the citizens is an important component of national security (Wahab *et al.* 2024). In view of the above, the following are some of the impacts of fuel subsidy removal with serious implications on the national security in Nigeria:

Economic Crimes

According to the World Bank report in December 2023, titled *Turning the Corner: From Reform & Renewed Hope, to Results*, the level of poverty in Nigeria has increased from 40% in 2018 to 46% in 2023. The increase as explained by the World Bank is attributed to the economic reforms being undertaken by President Bola Tinubu administration one of which is the fuel subsidy removal (World Bank, 2023). In line with the above, Ozili&Obiora (2023) observed that negative microeconomic implication of the removal of fuel subsidy is the potential for crime to increase due to the multiplier effects of fuel on the entire economic sector. For example, the increase in the price of petrol has led to inflation on cost of living especially in the areas of transportation and food items such as groundnut and palm oil, yam, rice, beans and others. A report of National Bureau of Statistics (NBS) revealed that headline inflation rate in the country rose from 22.8 % in June 2023 to 34.2% in June 2024 which is the highest in 28 years (NBS, 2024).

The corresponding effects of this development is the increase in security challenges particularly economic and other forms of crimes, such as armed banditry, illegal bunkering, pipeline vandalism, tax evasion, land fraud, pension scheme fraud, etc. A recent crime study index published by Statista a global data and business intelligence platform in July 2024 shows that Nigeria is the second most dangerous country in Africa. The country scored 66.7 points after South Africa among the 24 countries that were surveyed (Statista, 2024). The crime rate could worsen as more Nigerians struggle to make ends meet. When people are suffering from economic hardships, they can easily enter into economic

crimes, such as fraud and corruption and financial scams. Corrupt practices also persist in some areas of the economy, as individuals seek alternative means to exploit loopholes or engage in illicit activities for financial gain as a result of the removal of fuel subsidy.

Property Crimes

In the official crime statistics of many countries, property crimes such as (robbery, shoplifting, burglary, vandalism, arson, theft, larceny, trespassing, and extortion) account for the great majority of crimes, as compared to a relatively smaller number of offences such as homicide and rape (O'Brien & Yar, 2008). The trend is the same in Nigeria and the incidence of the property crime has increased after fuel subsidy removal because of stringent economic conditions. Economic hardship and rising cost of living in Nigeria has led to an increase in property crimes such as theft, burglary, and robbery as individuals seek to meet their financial needs through illicit means. Crime rates data index published by Numbeo (2024) revealed that 65.27 % of the respondents surveyed expressed fear on the risk of losing their property either through burglary, armed robbery or theft. The vandalization of both private and public properties witnessed during the nationwide economic hardship protests in states such as Kano, Gombe, Jigawa, and others underscore the fear expressed by these respondents regarding the issue of property crimes in Nigeria and its corresponding impact on the national security.

Cybercrime

Cyber-crime is one of the new types of criminality that accompanied the emergence of the internet (Swaaningen, 2007). Economic hardship resulting from increased fuel prices has led to a rise in financial scams and Ponzi schemes targeting vulnerable individuals desperate for financial relief. The proliferation of these online platforms has provided avenue for many Nigerians especially the youths to perpetrate different types of fraudulent activities, including phishing scams, identity theft, dubious loan schemes, and fraudulent investment opportunities or promising unrealistic returns. For example, a recent study by Bruce, Lusthaus, Kashyap, Phair, & Varrese (2024) revealed that Nigeria is the 5th country in the world with prevalent incidents of cybercrimes. The prevalent rate of cybercrimes in Nigeria is alarming and embarrassing, hence President Tinubu has directed the Economic and Financial Crimes Commission (EFCC) to intensify its fight against it (OCCRP, 2024). Thus, in June 2024, the Commission raided two different night clubs and arrested 127 internet fraud suspects popularly known as the 'Yahoo Boys.' (OCCRP, 2024). The Presidential directive to EFCC to curtail the increasing rate of cybercrimes underscores the impact of this particular crime on Nigeria's national security.

Social Unrest and Violent Crimes

A recent data published by United States (US) Council on Foreign Relations (CFR) revealed that 98,083 were killed between 2011 and 2023 (CFR, 2023). A similar data released by Armed Conflict Location & Event Data Project a real -

time data bureau also shows that 2,336 Nigerians loss their life within the first quarter of 2024 from violent attacks by armed bandits, herders and farmers conflict, armed robbers, ritual killers among others (ACLED, 2024). This shows that violent crime is a serious national security issue in Nigeria. The possibility of attributing some of these deaths to the removal of fuel subsidies and subsequent increase in fuel prices cannot be rule out. This is because the removal of fuel subsidy on petroleum products, and the steady decline of the value of the naira have further raised the cost of living, and thus created dismay and panic among people who are likely to engage in criminal act so as to survive (Wahab, Agbakwuru&Nkwopara, 2024). For instance, nationwide protests by the youth and poor segments of the population created social unrest in country. The protest which was meant to be peaceful later escalated into violent clashes with law enforcement agencies, leading to destruction of properties, injuries, and loss of life. Some of the protesters were seen displaying Russian flags the act which the military declared as treasonable offence. This development shows one of the dangers that removal of fuel subsidy can cause to Nigeria's national security.

Organized Crime

This category of crime is generally seen as a transnational national or local group of centralized organizations that engage in illegal activities for profit. Organized crimes are usually perpetrated by criminal organizations who exploit socio-economic instability and public discontent to expand their influence and engage in illicit financial activities. As such, it is regarded as a form of criminal business that makes profit through illicit activities such as money laundering, gambling, drugs and human trafficking, prostitution, smuggling of firearms and wildlife, oil theft, cybercrime, counterfeiting, extortion and others. Thus, it can be defined as a criminal conspiracy group that operates with an organized structure and whose existence and success is dependent on the continuous use of fear, corruption, and violence.

Following economic hardship that accompanied the fuel subsidy removal in Nigeria, the prevalence of organized crime networks such as armed bandits, oil theft and bunkering, kidnapping, armed robbery, and others may increase thereby posing significant challenges to law enforcement and public safety. For example, the 2023 organized crime index shows that Nigeria scored 7.28 points and is ranked the sixth country in the world and second in Africa with highest significant level of organized crimes (Statista, 2024). The implication of this report is that more Nigerians are likely to be involved in organized criminal activities as a result of the economic hardship in the country which is largely caused by the fuel subsidy withdrawal. At the end of the day, such development will have a serious negative impact on the national security of Nigeria.

Conclusion and Policy Recommendations

The study assessed the impact of removal of fuel subsidy on national security in Nigeria. The paper assumes that the policy has short- and long-term socio-

economic challenges and potential implications for crime rates, which is why the security situation in the country can be exacerbated. In conclusion, the study asserts that before fuel subsidy removal there have been security challenges; but the policy has impacted negatively on the national economy by contributing to the rising inflation, cost of living, and retarding economic growth. This development has consequently led to increase in national security challenges such as crime rates, attacks by terror groups especially armed bandits, kidnappers, armed robbers and others. Thus, the following recommendations are proffered:

It is the views of this study that as long as Nigeria keeps the policy of fuel importation, the issue of fuel subsidy will not end. This is because there will always be price change in the cost of imported fuel whenever the exchange rate of American Dollar to Naira changes or fluctuates. Therefore, the government should repair the existing refineries in the country to reduce the quantity of imported fuel and diesel for domestic use. In addition, the repaired refineries should be given periodic turn around maintenance in order to avoid total breakdown.

To boost the quantity of fuel refined by the existing local refineries, more refineries should be established by the government. In addition, the government should encourage investors like Aliko Dangote to establish private refineries or modular refineries in the country.

There should be transparent governance, accountability mechanisms, and effective regulatory frameworks, which are essential for fostering trust in institutions and reducing opportunities for corruption and abuse of power in the management of existing refineries and distribution of the products.

The government should invest in job creation programmes and skills development to offset unemployment and income losses so as to cushion the impact of fuel subsidy removal and reduce the opportunity for criminality.

To reduce the rising inflation on prices of essential products especially groceries, government should consider the establishment of price control board in the country.

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