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## Removal of Fuel Subsidy and Economic Hardship: The Role of the Oyo State Council of Obas and Chiefs

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**ABSTRACT:** Fuel subsidies removal has caused more harm than curbing the corruption associated with the government on fuel subsidies and strengthening the Nigerian economy. This resulted in economic hardship with an increase in inflation, food insecurity, and high cost of transportation. This occurred because the state government has incorporated the council of Obas and chiefs into measures to mitigate the challenges of economic hardships at the grassroots. The paper therefore examines the role of the Obas and Chiefs Council on economic hardships in Oyo state caused by the fuel subsidy removal. The paper uses qualitative methods such as newspaper, journal, and Internet information to address the theoretical and empirical concerns. Structural functionalism theory was used to examine the role of the council of Obas and chiefs on economic hardship in Oyo state. The paper revealed that the involvement of traditional rulers would address food insecurity and influence the cost of transportation because of their relationship with the leadership of the markets around them (Iya Ijo and Babaloja). This would bring down the inflated prices of the goods and identify those harboring them because these markets are their products. This involvement would create an “informal economic system” that would address the challenges of fuel subsidy removal and bring more people to the state taxation. It would serve as an avenue to increase the Internally Generated Revenue in the state. Their involvement would encourage a value-driven society with peaceful co-existence that would ensure a secure environment for farming and businesses among their people in their domains. The paper recommends that the state government establish an informal economic system comprising the traditional rulers, traders of all markets, and government agencies. This would encourage peaceful trade relations among the communities around the state to address food insecurity, inflation, and the high cost of transportation. Traditional rulers should be fully incorporated in the methods and measures of mitigating the challenges of economic hardships for a value-driven society with peaceful co-existence among their people, with a secure environment for farming and business in the state

**KEYWORDS:** Subsidy, Fuel Subsidy Removal, Economic Hardship, Council of Obas and Chief and Traditional Ruler

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### INTRODUCTION

The Council of Traditional Rulers and Chiefs in Nigeria is an institution of state government that was created in the post-colonial government as co-partners to the political and economic development of the state. The council is a body of Obas and chiefs headed by a ranking traditional ruler. The sitting governor of the state retains the right to approve or veto any binding measure taken by the council. The council has limited powers and is subjected to state government control. The governor also has the power to dissolve and create a new one when needed (Oyo State Chief Law 2000 & Bakare, 2024). Despite spite of the above power of the governor. Bakare (2024) states that the traditional rulers through the council continue to work with the state government to mobilize their subjects for the implementation of the policy and program of government on political and economic development of the state. This is because they are representative of other lesser rulers and the people in the state (News Agency of Nigeria 2024). The council also exists to maintain law and order in the state, and support and enhance the effectiveness of the political and economic policy of the government. It also serves as the gatekeeper of their various communities and a catalyst for the socio-economic development of the state. The council is also a custodian of people's traditions, values, and culture. It is also a political symbol of unity and power in the state (Bakare 2024). Through the above functions, the traditional rulers advise government at all levels on matters that affect the living conditions of their people. They consult state governments or any organizations on behalf of their subjects on matters that affect the living conditions of their people. The council is the general overseer of all the chieftaincy affairs in the State and a representative of all Oba and chiefs in the State. The governor seeks their opinion on policy and program of government before implementation (Oyo State Chiefs Law 2000). This has facilitated a symbiotic relationship between the council and government on the economic and political development of the Oyo state.

Conversely, the removal of fuel subsidy by President Bola Ahmed on May 2023, has caused more harm than the motive of the government on the Nigerian economy, that is, to curb the corruption associated with the government on fuel subsidy. This resulted

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in economic hardship in the state with the hike in the price of every consumable item in the market as a result of an increase in pump prices of petroleum starting from 150 percent to 200 percent surge (N500 – N600) and N600 – 1200 now, across the country. This also resulted in the high cost of transport fares and made foodstuff unaffordable for the citizens. This also led to a decrease in economic growth, an increase in inflation, poverty, and an increase in fuel smuggling. It also led to an increase in crime rate, and a loss of jobs in the informal sector (Neil, Tom & Joonseok. (2021). These resulted in economic hardships in the state of the federation. The removal of fuel subsidies and economic hardship in the country cut the attention of every Nigerian leader including traditional rulers on how to ameliorate the hardship the citizens are passing through. As a result of this, the federal government led by President Bola Tinubu came out with several measures to ameliorate or mitigate the effects of this removal on the living conditions of Nigerians. The federal government disbursed N5bn palliative for each state, including the Federal Capital Territory, to cushion the impact of the removal of the petrol subsidy. It also introduced clean energy through electric vehicles, biofuels, or solar-powered technologies in the country to cushion the effects of the subsidy removal (Layade-Kowo, 2023). Not only that, the central government of Nigeria also distributed some consignments of foodstuff, fertilizers, and other farm inputs to farmers at subsidized rates to control the prices of foodstuff in Nigeria. In the same vein, the Oyo state government under the leadership of Engineer Seyi Makinde rolled out several measures to mitigate economic hardship in the state such as an increase in the government buses tagged “Omituntun bus” which extended to inter-city routes from Ibadan to all other zones of Oyo state which include Ibadan to Ibarapa, Ibadan to Ogbomoso, Ibadan to Oke-Ogun and Ibadan to Oyo. There was a reduction in the transport fares for senior citizens and students in the state. This was planned to ease the difficulties of transportation in the state. In addition, the Oyo state government established an economic recovery platform tagged: Sustainable Actions for Economic Recovery (SAfER) to address economic hardships in the state. This led to the creation of social intervention programs for the poor citizens and youth and health insurance services, as well as, palliatives for farms in the state. Despite the above measures to multiage the effects of subsidy removal in Oyo state, there is still an increase in the inflation rate, cost of food items, and all consumable goods in the state, and cost of transportation. It is against the backdrop that the paper seeks to examine the role of the council of Obas and the chief on the impact of the removal of fuel subsidy which resulted in economic hardship in Oyo state

### **Objectives of the Paper.**

The primary objectives of undertaking this paper are outlined below

- To identify, the contributing role of the council of Obas and chief on the socio-economic development of the state, and how to ameliorate the economic hardship caused by the removal of fuel subsidies in the Oyo state.
- To examine how the working relationship between the council of Obas and chiefs and state government can mitigate the effect of subsidy removal and economic hardships in the state.

### **METHODOLOGY**

The paper adopts a qualitative method to examine the role of the Oyo State Council of Obas and chiefs on the effects of the removal of fuel subsidy and economic hardships in Oyo State which consists of non-numerical data such as documents of the palliative by the federal and state governments.

### **Theoretical Framework; Structural Functionalism theory**

The theory is propounded by Spencer, 1820-1903, Durkheim, 1893, and Parson in the late 1930s. The paper adopts theory to explain the role and contribution of the council of Obas and chiefs as part or subsystem of government on measures to mitigate the economic hardships caused by removal in Oyo state. This is because the theory emphasizes that certain functional requirements must be satisfied if a society is to survive. There should be functional subsystems to ensure the survivability of the society is met. The subsystems are also expected to perform their functions credibly. The society is therefore, composed of a certain arrangement of parts (structures) or subsystems which undertake various responsibilities (functions) in a coordinated and independent manner to achieve societal goals and objectives (Ugwuja, 2016). This explains that the council of Obas and chiefs is one of the subsystems in the state where the traditional rulers who are members of the council have roles to play in alleviation the economic hardship in the Oyo state. This is because they are the custodians of the culture and traditions of the society and should ensure the survivability of the society with their position. This is because people hold on to them and give them respect and honor without force or order. Traditional rulers are part of the structures in the society that undertake the responsibilities (functions) in a coordinated and independent manner to achieve societal goals and objectives. This is because they have socio-economic roles to perform that can mitigate the economic hardship in the state, such as ensuring peaceful trade relations among the communities around them. They also serve as promoters of a value-driven society that can make a state achieve socio-economic development. They also promote community policing which would create an enabling environment for framing and business in society.

According to Hebert Spencer (1820–1903), the theory states that a society is a structure with interrelated parts designed to meet the biological and social needs of the individuals in that society that is just like various organs of the body, work together to keep the body functioning, the various parts of society work together to keep society functioning. This means that a working relationship

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between the traditional rulers and the state government on the economic hardship of the state can bring out an informal economic system to address food insecurity caused by the removal of fuel subsidies. The system can bring- down the prices of food items and any related agricultural products in the market. This is because of their relationship with the leadership of the markets around them, that is, Iya loja and Babaloja. It would also give them an avenue to communicate to the leadership of the markets on the prices of the goods inflated by the traders, as a result economic situation of the country. It would also give them opportunity stat to convey the challenges of the market men and women to the state government.

In addition, Emile Durkheim (1893) also acknowledged the involvement of traditional rulers in the measures or methods to mitigate the effect of subsidy removal by the Oyo government would it a reality that society is a complex system of interrelated and interdependent parts that work together to maintain stability and that society is held together by shared values, languages, and symbols. This is because traditional rulers serve as a harbinger of government policy mobilizers, they would bring information about plans of government to the people at the grassroots in line with their culture and tradition and communicate to them with their mother tongue. This would create an avenue for them to discuss the plights of the people to the government. It would also allow them to serve as a watchdog in how the government implements and distributes valuable items to the poor in their various communities.

### **The Journey So Far in Nigerian Fuel Subsidy Context**

In Africa, Nigeria is one of the leading producers of crude oil, this gives a huge financial capacity over other African countries since the 1970s. However, the idea of subsidy began in the 1970s and became institutionalized 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 (Soile, Tsaku, and Yar Adua; 2014). This idea was adopted to make fuel affordable for the general population, as many Nigerians live in poverty despite the country's oil wealth (Uwaegbu & Akinduyite 2024).

Therefore, from the 1970s to 2024, the concept of subsidy has become a key factor that determines the economic policy of the Nigerian government because when it tampers it affects the cost of everything that Nigerians consume, as a result, every Nigerian ascribes subsidy as part of life and Nigeria's government cannot sufficiently govern them without subsidizing the products consumed. While, the idea of subsidy arises when consumers of a commodity are assisted by the state to pay part of the prevailing market price for the product (Soile, Tsaku, and Yar Adua; 2014). This means a differential between the actual market price and the amount final consumers pay for the item. This makes subsidy an important policy instrument the Nigerian government adopts to attain an economic, social, and secure environment in the country. In Nigeria, energy resources, (especially fuel) were one of the areas that have witnessed active intervention of government. This is because the Nigerian government fixes the price of petrol for consumers below the international price, and uses government resources to pay for the difference (Uwaegbu & Akinduyite 2024). Subsidy became an untouchable economic policy of the administrations before Bola Ahmed Tinubu led government in 2023 because when it has tampered it affects the cost of everything that Nigerians consume, and any attempt to interrupt or take action to remove it, it would shape the economy and political decision of the state. This is because crude oil serves as one of the significant products the Nigerian government relies on, in terms of internal generating revenue (IGR). Therefore, the more the government interrupts or obstructs its payment the more the living conditions of Nigerians are affected. This supports the argument of AUTOGIRL, (2024), that any attempt for the government to remove or adjust fuel subsidies and the citizens are always at a crossroads with no clear roadmap because it is one of many consumption subsidy programs of the government. This is because if the government attempts to lower the cost of financing subsidies by providing direct financial support to oil firms, the higher prices of consumable goods would be in Nigerians.

However, the Nigeria Extractive Industries Transparency Initiative (NEITI) (2016), states that between the Obasanjo / Yaraud-Jonathan and Buhari administrations, that is, from 2000 to 2021, the Nigerian government spent \$74.39 billion which translated to N13.69 trillion in subsidies. This explains that in 2005, the government paid \$2.6 billion (N351 billion) as a subsidy. In 2006 and 2007, it paid \$1.99 billion and \$2.18 billion (N257 billion and N272 billion) respectively (NEITI, 2016). In the same vein, payment of the subsidy in 2008 and 2010 was doubled and there was the highest increase in the subsidy payment in 2011, which was \$13.52 billion (N2.11 trillion), but there was a sharp decline in the payment in the years 2012, 2013, 2014 and 2015 when it dropped to \$3.34 billion (N654 billion) in 2012. This continued in 2016 and 2017 to as low as 473 million dollars (N154 billion) in 2017. However, the reduction was short-lived and the payment skyrocketed to over \$3.88 billion (N1.19 trillion) in 2018 and 2021 to \$3.58 billion (N1.43 trillion). Going by the payment of subsidy, it is discovered that the Nigerian government spent an average of N805.7 billion annually, N67.1 billion monthly, and N2.2 billion daily. This explains that the amount Nigeria government spent on fuel subsidies from 2005 to 2021 was equivalent to the entire budget for health, education, agriculture, and defense and the total sum amount spent on subsidies in the years above is equivalent to the capital expenditure of the country for 10 years (NEITI, 2016). However, the International Energy Agency, (IEA) (2019) stresses that since the subsidy of diesel and kerosene was removed in 2016, Petroleum Motor Spirit (PMS) has been difficult to manage the Nigerian government because of its challenges to the Nigerian economy, this is because a substantial portion of the national inflow is committed to funding the subsidy scheme on annual basis. Therefore, Uwaegbu & Akinduyite (2024) argue that from Gowon to Tinubu's administration fuel prices have been shaped by

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economic policies, global shifts, and political decisions of the country. As a result of the importance of the subsidy in the Nigerian economy, it has been subjected to different reform and subsidy dynamics to find remedies to corruption and financial costs of government in the payment of subsidy.

The above argument Uwaegbu & Akinduyite (2024) explain one of the reasons for Tinubu's administration on the economic decisions to remove subsidies immediately after he took over the leadership of the country in 2023. The Tinubu-led administration presented the below as major reasons for removing subsidies in petroleum which include:

- Economic reform: To reduce government spending and allocate resources more efficiently.
- Fighting corruption: To eliminate opportunities for fraud within the subsidy system.
- Market liberalization: To allow market forces to determine fuel prices and attract investment in the oil sector.
- Long-term benefits: To free up funds for infrastructure development and social programs.
- Motives behind Subsidy Removal:
  - Economic Rationality: Governments often argue that subsidy removal is necessary for economic stabilization. Subsidies can drain national finances, leading to budget deficits and reduced capacity for other social investments.
  - Market Efficiency: Removing subsidies can lead to more efficient market operations, potentially lowering long-term prices and encouraging investment in alternative energy sources.
  - External Pressure: International financial institutions like the IMF often recommend subsidy removal as a condition for loans or economic aid

### Economic Impact of Fuel Subsidy Removal:

Nigeria's petroleum product is one of the determinants of the economic decision of the Nigerian government because of its importance to the country's financial capacity in fulfilling its local and international needs. This has made every administration pay serious attention to its demand and supply to the local and international markets since the 1970s to date. The subsidy was considered by the military government in 1977 as a temporary fiscal response to an oil price spike instigated by the actions of the Organization of the Petroleum Exporting Countries (OPEC). This has been retained by subsequent governments as a mechanism for stabilizing domestic fuel prices and providing a more visible economic benefit to the people. Because fuel prices are fixed at a nominal value, inflation and the subsequent devaluations of the naira have progressively increased the value of the subsidy. As a result, the subsidy budget has grown and become increasingly unsustainable. The subsidy frequently strains the budget, forcing the government to resort to increasing the price of fuel at the pump. However, this provides only temporary respite, as the subsidy soon starts to accumulate again. When international prices rise as they did between 1999 and 2012 (except for the period immediately following the financial crisis) the subsidy bill escalates rapidly. Therefore, (the Nigerian Institute of Social and Economic Research (NISER) (2016) states the under-listed point as the result of its removal:

**Inflation:** The removal of fuel subsidies has led to an immediate increase in fuel prices. This triggered a chain reaction; causing higher transportation costs and ultimately contributing to the inflation rate. Prices of goods and services rose which affected both the rich and the poor but the poor are suffering more due to a significant reduction in their purchasing power.

**Transportation Cost and Market Instability:** The removal of fuel subsidies has sent ripples through the agricultural sector. The major effect is the increased transportation costs due to the high fuel prices, directly impacting agricultural production. Fuel plays a critical role in agricultural logistics, powering the transportation of inputs like fertilizers and the delivery of produce to markets. With the spike in fuel prices, transportation costs have soared, squeezing farmers' profit margins and potentially driving up food prices for consumers. Farmers and food production companies alike face challenges in managing these increased transportation costs, transferring the burden to the finished product. This, in turn, affects the poor masses significantly, as the cost of living rises higher than the income generated. Farmers, already burdened with the high cost of fuel, find it particularly challenging to manage crucial equipment such as tractors and pumps, further affecting crop production, especially maize, which is essential for poultry farming. The rise in maize prices further compounds the issue by driving up the costs of chicken feed, making it harder to efficiently manage large flocks. As a result, demand for poultry products decreases, leaving many unable to afford them amidst rising expenses.

**Decrease in Economic Growth:** This has led to a decreased rate of economic growth. Most business organizations are folding up while some are struggling to stay in business, and there is an increase in the price of essential goods and services. As a result, there is less disposable income in the hands of individuals and small businesses due to rising prices, stagnant wages, and fixed national minimum wage. This has led to a reduction in consumption expenditure and currently acting as a drag on aggregate demand. The reduction in consumption would translate to weak consumer demand for goods and services produced by firms. In conclusion, agriculture stands as a cornerstone of Nigeria's economy, contributing significantly to the GDP and providing livelihoods for millions. However, the removal of fuel subsidies has sent shockwaves through the agricultural sector, leading to inflation, increased transportation costs, and market instability. These challenges disproportionately affect both farmers and consumers, particularly impacting poultry production due to rising feed costs. Consequently, the ripple effects extend beyond the agricultural sector,

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dampening economic growth and reducing consumer spending, posing a significant threat to Nigeria's overall economic stability. Urgent interventions are needed to mitigate these effects and safeguard the resilience of the agricultural industry and the welfare of its stakeholders.

### **Socio-Economic Role of the Council of Obas and Chiefs in Oyo State**

The traditional council of Obas and chiefs is one of the institutions of government that has a lot of contributions to the country's economy, despite the constitutional relegation of the traditional rulers in the country. This supports the position of Adesimbo (2023) when traditional institutions are strong, they promote a value-driven society. This value can make a state achieve socio-economic development in the entire country. However, the following are the ways the council of Obas and chiefs contribute to the socioeconomic development of the state:

**Security in terms of community policy:** Adesimbo (2023) affirms that the council of Obas and chiefs is one of the layers of intelligence gathering in the state. This is because the traditional rulers who are council members are the first people to spot strangers among the members of their community. They quickly identify the strangers that come into a community and use their position to inform security agencies in the state. However, one of the security networks Oyo state created in collaboration with a traditional institution tagged "the Expanded Security Council" This was created to work with Western Nigeria Security Network, code-named "Amotekun".

The Amotekun Corps perform community policing functions and the traditional rulers contribute their quota to the operation of the Amotekun Corps through information. This explains the important role of the traditional rulers in the economic development of the state because there is a link between security and socioeconomic development. In a state, there is a need for a secure environment to carry out economic activities like farming and business, this is because, when there is when there is chaos, farmers cannot go to the farm; market activities cannot be held in the communities (Adesimbo, 2023)

**Maintenance of peaceful trade relations:** there is a link between peaceful trade relations and community policing in the state. The traditional rulers are the major actors in ensuring peaceful trade relations in their communities through a conflict-free environment. They are the custodians of the culture and history of their people. As a result, they understand the challenges confronting the traders in their various communities. They are also in a position to settle any land and border disputes that hinder trade relations among the communities around them, this is because they understand the history of their people and can identify the true owner of the disputed land or border in their various communities. The above roles make the traditional ruler be major actor and facilitator of economic development in the state.

In Oyo state and other southwestern states, traditional rulers maintain peaceful trade relations among the communities around them, this is because major markets in rural and urban areas are the products of their tradition. This means the markets that exist and function today are established or created by the king (Oba) called Oja Oba. That is, each town has an Oja Oba (the central market) where merchants from far and wide bring their goods to sell (Adesimbo, 2023). This market serves as the center for commerce, which indicates that the economy is directly linked to the traditional system. The market has Iya loja and Babaloja and they are under the leadership of traditional rulers. The Oyo state government under the leadership of Governor Seyi Makinde works with the Council of Obas and chiefs and gets data and insights from the traditional rulers in an established informal economic system that makes more people into the tax net of the state. The system helps and increases the Internally Generated Revenue of the state., against the revenue from oil that continues to diminish (Adesimbo (2023).

This informal economic system is not new in the Yoruba traditional system, this is because a taxing system is embedded in it, therefore, the state needs to key into the system and there would be pushback from those gaming and gaining from these systems, this can be done through real dialogue with the traditional rulers to accomplish her aim. In the same vein, dialogues like this reveal the types of economic development that would benefit people in the community. This is one of the reasons to incorporate traditional rulers into the economic team of the state.

**Development architecture of the State:** This explains that traditional institutions are an integral part of the architectural development of the State in terms of tourism and solid minerals development. These aspects are one of the determinants of the economy of the state. Therefore, the role of traditional rulers cannot be underestimated. This is because they serve as key hosts of visitors in the community and welcome the visitors and when the values in that environment do not promote a welcoming spirit, then there is no way that tourism can thrive, as a result, Oyo state under the leadership of governor Seyi Mainde works on this and gain the attention of traditional rulers. in the aspects of tourism and solid minerals, to boost the state's internally generating revenue, to fulfill the state's financial engagement (Adesimbo, 2023).

In the same vein, Adesimbo (2023) also stresses that the development of tourism and solid minerals needs active and functioning traditional rulers because the traditional institutions are the custodians of culture and tradition, and they can speak on how these heritage sites can be used. Therefore, good working relations between the traditional rulers and the state apparatus would make the tangible and intangible cultural heritage a source of revenue. For example, in Oyo State, the government cannot develop or do anything on the lake like Iyake Lake without carrying traditional rulers along because there are some lakes in the state that one

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cannot bathe, and those who do it, sink and are never seen again but the traditional rulers around this lake have a historical understanding about the lake.

In the same vein, Bakare (2024) and Adesimbo (2023) also identified that the development of solid minerals cannot be achieved in the state without the involvement of traditional rulers because they are in the best position to identify the solid minerals in their communities, this would not make illegal operation to occur in their community. This is because they occupy the position to expose or harbor strangers in the community. This makes it imperative for the government to carry traditional rulers along any strategy to the economic importance of the natural resources in rural communities. In another vein, they are the ones that even suffer most from solid mineral exploitation is the communities where these solid minerals are deposited. This is evident in the rural communities where oil is being exploited (Adesimbo (2023)

### **The Interplay of the Role of Federal and State Governments and the Council of Obas and Chiefs On the Effects of the Subsidy on Living Conditions in Oyo State**

Attempts to remove petrol subsidies by administrations before President Bola Ahmed Tinubu administration led to serious protests and stiff resistance as a result of anticipated negative impacts on the living conditions of Nigerians. However, the Bola Ahmed Tinubu's administration considered the removal of fuel subsidy as a necessary action to be taken because of the unrealistic economic system the country is running which is full of heavy debt incurred by the previous administration as a result of subsidy. This removal of fuel subsidy is being considered a perennial albatross on the Nigerian economy which was supposed to have been removed 50 years before now because of its implications on the living conditions of Nigerians (Morindoti, 2023) & Layade-Kowo, (2023). In another vein, Governor Godwin Obaseki of Edo state in Layade-Kowo, (2023) opines that:

Nigeria did not profit from the surge in oil price due to low oil output and the spike in fuel subsidy expenses and it would be a miracle for the Federal Government and state governments to pay salaries beyond June 2024 without resorting to massively printing money or removing fuel subsidy. Either of these decisions will bring more hardship and pain to Nigerians,

Conversely, immediately subsidy was announced by President Bola Ahmed Tinubu, the fuel costs increased from 150 percent to 200 percent surge (N500 – N600) across the country and led to higher transportation costs and serious inflation in the country (Layade-Kowo,2023). However, the rising of the prices of goods and services affect both the rich and the poor but the poor are suffering more due to a significant reduction in their purchasing power. In the same vein, small and medium-sized enterprises started facing difficulties in accessing affordable power (Layade-Kowo, 2023).

As a result of the above situation, the Federal Government led by Bola Ahmed Tinubu disbursed N5bn palliative for each state, including the Federal Capital Territory, to cushion the impact of the removal of the petrol subsidy. The fund was shared in the ratio of 52 to 48. Fifty-two percent of this money was given to states as grants, while 48 percent of the N5bn is to be paid back in installments within 20 months to the Central Bank of Nigeria by the states and the local governments in the country. In addition, the Federal government announced the introduction of clean energy by embracing cleaner options like electric vehicles, biofuels, or solar-powered technologies in the country to cushion the effects of the subsidy removal (Layade-Kowo, 2023). The same government also distributed some consignments of foodstuff, fertilizers, and other farm inputs to farmers at subsidized and controlled prices to each state in the federation to mitigate the effect of the removal of subsidies in the country.

In another vein, the Oyo state government led by Engineer Seyi Makinde rolled out the measures to mitigate the impact of fuel subsidies in the state. As a result, the state government came out with short-term plans to address the effects of the removal of fuel subsidies in the state. In this case, an economic recovery platform was created and tagged: "Sustainable Actions for Economic Recovery" (SAFER). Under this platform, the state government increases the number of government buses on various routes in Ibadan, the capital city while commuters would enjoy the reduced fares. The platform also worked on the economic packages to stimulate the economy and bring about sustainable development in the state including packages to ensure a softer landing for the poorest of the poor and the most vulnerable in our society. This addresses food security through direct intervention to the farmers. It also addresses provisions to ease the transportation pains of the state civil servants and residents of Oyo state. Therefore, the government buses tagged "Omituntun bus" its service was extended to cover inter-city routes from Ibadan to all other zones of Oyo state that is the buses will cover from Ibadan to Ibarapa, Ibadan to Ogbomoso, Ibadan to Oke-Ogun and Ibadan to Oyo. The fares should be kept at low rates, while the senior citizens and students would board the buses at half price.

In addition, the government also updated the state's social register to include 200,000 of the "poorest of the poor" who would be provided with immediate food relief packages. Health insurance was also attended to by providing health insurance services for 100,000 of the most vulnerable households in the state. With this, a one-year health insurance premium would be paid under the Oyo State Health Insurance Agency (OYSHIA) scheme. This would give them to have access to quality healthcare without paying out of pocket.

Moreover, palliatives for farmers and youths were not exempted from the state government plans to mitigate the effects of the removal of fuel subsidies. Therefore, the government planned to give inputs to 10,000 farmers in the state, in addition to the support being provided under the World Bank-assisted OYS-CARES program. In the same vein, palliative for the youths include youth agnoproteins who were trained under the state's youth entrepreneurship in agribusiness project (YEAP). this has established

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businesses for the youths and they would be receiving enterprise support under the SAfER package. As a result, the state government committed N500 million for this purpose and the beneficiaries would be taken care of through relevant agencies.

In the same vein, the state government also committed N500 million to assist small businesses to stay afloat through low-interest-rate loans. Therefore, traders, artisans, and other small business operators should apply for these loans through designated micro-finance banks. The students of tertiary institutions in the state were not isolated in this plan, therefore, the students of tertiary institutions would board the government buses at half fare upon showing their school identity cards. With this, student leaders would be added to SAfER to decide on the necessary packages for students in the state (Joseph 2023).

Since the removal of fuel subsidy by the administration of Bola Ahmed Tinubu Nigerians have been feeling the negative impact. The removal has affected the lifestyle of Nigerians in terms of feeding, transportation, and family financial engagements just to mention a few. As a result, the above measures rolled out by the federal and state governments have not addressed the pains Oyo residents are going through, in terms of the high cost of transportation, food insecurity, unemployment, high rate of inflation in the state, high cost of consumable goods in the market, decrease in economic growth.

It is in this case that Omitola, (2021) argues that to achieve the federal and state government's measures to alleviate the effects of subsidy removal in Oyo the council of Obas and chiefs need to be incorporated into the ways to implement the policy and program of cushion the effects of the subsidy in the state. This is based on their historical functions and the position they occupy in Nigerian society. In this case, Omitola, (2021) stresses that traditional rulers have a tremendous role to play in measures to mitigate the effect of subsidies in the state because they serve as a harbinger of government policy mobilizers in a modern democracy. They would bring government closer to the grassroots and communicate to them in their mother tongue. This is because of their link with the grassroots, this encourages them to abide by the directive of the government at all levels. This would create an avenue for them to discuss the plights of the people to the government. It would also allow them to serve as a watchdog in the ways the government implements and distributes valuable items to the poor in their various communities.

In the same vein, Adesimbo, (2023) argues that the involvement of traditional rulers in the aspect of food insecurity caused by the removal of fuel subsidies would go a long way to bring the prices of consumable items in the market like agricultural produce and other related goods down because of the role of traditional rulers in maintaining peaceful trade relations among the communities around them. All major markets in rural and urban areas are their products, that is king's market called Oja Oba and each town has an Oja Oba (the central market) where merchants from far and wide bring their goods to sell. They also have a close relationship with the leadership of the markets around them, that is s Iya Ijoja and Babaloja. This would give them an avenue to communicate to the leadership of the markets on the increase in the prices of the goods they are selling and they would also convey the challenges of the market men and women to the government. The working relationship between the markets women and men, government, and traditional rulers established an informal economic system that would bring more people into the tax net of the state. The system would also increase the Internally Generated Revenue of the state as a result of taxation in the markets against the revenue from oil that continues to diminish. The system would also strengthen real dialogue between the traditional rulers, market men and women, and the government on how the government would accomplish the measures to mitigate the effects of subsidies in the state. It would also reveal the types of economic systems that would benefit their community.

In addition, Bakare (2024) & Adesimbo (2023) opine that the involvement of traditional rulers cannot be underestimated in the architectural development project of the State in terms of tourism and solid minerals development. This is because good working relations between the traditional rulers and state apparatuses would make tangible and intangible cultural heritage a source of revenue in the state. This is because the traditional rulers are the custodians of culture and tradition, and they can speak on how these heritage sites can be used because they are the key hosts of visitors in the community and their welcoming spirit thrives tourism in the state. This would not prevent illegal operations from occurring in their community because traditional rulers best occupy the position to expose illegal operators and those that would harbor strangers in their community. This would boost the state internally generating revenue, to fulfill the state's financial engagements.

(Akinwalere (2003) & Adesimbo (2023) state involvement of traditional rulers in measures to mitigate the effects of subsidy removal in Oyo state would make the state a value-driven society. Through this, they maintain peaceful co-existence among their people in their domains they would also be providing a platform for alternative dispute resolution and monitoring the activities of the various security agencies like vigilante groups Amotekun and other unconventional security apparatus in their communities. This would help the state to achieve socio-economic development that can cater to the needs of the people during the subsidy removal regime.

### **CONCLUSION**

Removal of fuel subsidies in Nigeria is necessary but causes more harm than curbing the corruption that is associated with the government on fuel subsidies and strengthening the economy. the nation. The removal resulted in economic hardships and gave birth to a high rate of inflation, and food insecurity, in terms of high costs of consumable items in the market, high cost of transportation, and unemployment in the country. This occurred because the state government did not incorporate other structures

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of the society like the council of Obas and chiefs into the measures and methods rolled out to mitigate the effects of subsidy at the grassroots. This paper therefore discovered that the involvement of traditional rulers in aspect of food insecurity caused by the removal of fuel subsidies would bring down the cost of consumable items in the market like agricultural products and other related goods because of the role of traditional rulers perform in maintaining peaceful trade relations among the communities around them. And the close relationship they have with the leadership of the markets around them, that is s Iya loja and Babaloja. Because all major markets around them are their products This would give them an avenue to communicate to the leadership of the markets to bring down the inflated prices of the goods in the markets and identify those that are harboring the goods, they would also have an avenue to convey the challenges of the market men and women to the government. It also discovered that a good working relationship between the markets women and men, government and traditional rulers would establish an “informal economic system” that would bring more people into the tax net of the state and the system would also increase the Internally Generated Revenue of the state as a result of taxation in the markets against the revenue from oil that continues to diminish. Their involvement in the Oyo state's method of mitigating the effects of subsidy would also make the state have a value-driven society with peaceful co-existence among their people in their domains. It would also provide a platform for alternative dispute resolution and collaboration with the activities of the various security agencies like vigilante groups and Amotekun and other unconventional security apparatus in their communities., to have a secure environment for farming and business in the state. This would make the state achieve socio-economic development that can cater to the needs of the people during the subsidy removal regime.

### RECOMMENDATIONS

- State government should establish an informal economic system that would comprise the traditional rulers, traders of all markets, and government agencies in the state. This would make the traditional rulers ensure peaceful trade relations among the communities around them. It would also allow them to communicate to the leadership of the markets and identify those that are harboring or inflating the prices of the goods in the markets. It would also give them an avenue to convey the challenges of the market men and women to the government.
- Traditional rulers should be fully involved in the methods and measures of mitigating the challenges of subsidy removal and economic hardships in the state. This would make the state have a value-driven society with peaceful co-existence among their people and a secure environment for farming and business in the state
- The state should also maintain good working relations with the traditional rulers on the socio-economic projects of the society, like tourism and solid minerals society. This would make tangible and intangible cultural heritage a source of revenue in the state. This is because the traditional rulers are the custodians of culture and tradition.

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