

**Contemporary Mismanagement of Public Finances in Nigeria: Ethical Insights on Tinubu's Fuel Subsidy Removal Revenues**

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**Abstract**

This paper explores the ethical implications of the recent fuel subsidy removal in Nigeria under President Bola Tinubu's administration, with a focus on the mismanagement of public finances. This study employs both the primary and secondary means of data collections. It adopts the Public Choice theory in evaluating its reflections. The substantial generalizations and conclusions were qualitatively delineated based strictly on the synthesis of the gathered data, using phenomenological and content analysis approaches. Observations suggest that the removal of fuel subsidies in Nigeria, a policy shift aimed at economic stabilization and reducing government expenditure, towards freeing up funds for developmental projects; sparks significant debate of alleged mismanagement of its revenues. Rationales for the allegation include amongst others, that the Nigeria's domestic refineries are still not operational; zero or marginal improvement on the nation's infrastructure, healthcare and education; delayed or incomplete public projects; inflation and hardship; together with insufficient transparency regarding the allocation and expenditure of the subsidy removal funds. This study provides the subsequent ethical insights into how Nigeria can better change its public finances to foster sustainable development and improve public welfare, scilicet: Strengthening institutional frameworks; promoting citizen engagement; implementing robust transparency measures; in addition to aligning incentives with public welfare.

**Key words:** Public Finance, Ethical Insight, Fuel Subsidy Removal, Revenue, Mismanagement.

**Introduction**

Nigeria has a long history of mismanagement of public funds, dating back to its independence in 1960 as Osoba (1996) and Ugoani (2017) assert. This issue has been characterized by widespread corruption, lack of accountability, and inefficient governance, often involving embezzlement and diversion of public resources by government officials. According to Reuters (2012) and Agirl et al (2023), high profile scandals such as the oil subsidy scam and the misappropriation of funds in various government sectors, have undermined development efforts and eroded public trust in government institutions. Despite numerous anti-corruption campaigns and reforms, the problem persists, significantly hindering Nigeria's socio-economic progress.

In the aforementioned contexts, Oluwatobi (2012) and Ogbu (2021) aver that corruption pertinent to misappropriation of public funds by government officials in Nigeria, deprives citizens of basic needs, increases unemployment, and tarnishes the nations image and individual reputation; placing Nigeria among the world's least developed countries. The authors affirm that the culture of corruption which is rampant at national level in Nigeria constitutes a threatening force to development at grassroots level. They maintain that it equally has been a significant factor leading to the general failure of local government as well as purported motive for suspending representative institution.

Esieda (2022) elucidates that Global Rights highlighted that the mismanagement of Nigeria's oil, gas and mineral resources has significantly widened the gap between the rich and poor. They stress that the five richest Nigerians were worth \$30 billion, while millions live on less than \$1 per day. Citing the Executive Director of Global Rights, Abiodun Baiyewu, he notes that the richest Nigerians annual earnings could lift two million people out of poverty. Additionally, Abiodun Baiyewu (cited by Esieda) streamlines that while women make up half the population of Nigeria, 79 percent are extremely poor, and 94 percent of these women are illiterate (although these figures are in contention). Esieda laments that all these occurs in a country that is one of the richest in natural resources globally; adding that between 1960 to date, about \$30 trillion have been stolen from Nigeria's treasury by government officials and their collaboration. Punch Editorial Board (2022) relatively exclaims that the frequent raiding of the

solid minerals development fund reflects an organized, serial pattern of corruption and misappropriation of special funds by successive Nigerian governments. The Board exposes that between 2002 and 2019, the average sum of N740.95 billion was misappropriated from this fund with no decisive action directed at recovering the diverted funds over four years after the probe. Punch Editorial Board deplors that it is inauspicious for the solid mineral development fund set up by the Olusegun Obasanjo administration via an executive order in 2002, which was designed to help develop alternative mineral resources to lessen the nation's dependence on petroleum, boost exports revenues and drive industrialization; was perpetually utilized in serving the whims and caprices of Nigeria's successive government administrations.

Ugoani (2017) highlights that government reform policies of Nigeria since 1981 the Nigerian economy started experiencing economic recession, have not made the desired positive impact on socio-economic development in Nigeria as a result of mismanagement of public funds resources from the extant mineral resources in the country. He delineates that this treacherous acts are facilitated by corruption characterized by low capacity utilization, incomes, and consumption patterns. Irrespective of the fact that Nigeria is home to over 40 solid minerals in commercial quantity, with all the 36 states of the federation blessed with at least one or more of such minerals as Human Rights Watch (2007), Akintude (2020), and Leadership News (2024) record; Nigeria is still yet to be significantly developed. The government's failure to tackle local-level corruption violates Nigeria's obligation to provide basic health cum education services to its citizens, along with actualizing infrastructural development. This is frustrating considering that the Nigerian government earned N416.32 billion from the solid minerals sector from 2007 to 2018 according to Premium Times cater for Investigative Journalism (PTCIJ) and Center for Democracy and Development (CDD) analysis, as cited by Akintude.

Awojobi (2014) and Gee (2024) enunciate that mismanagement of public funds accrued from domestic mineral resources in Nigeria is associated with political corruption. Thus, despite the creation of several anti-corruption agencies in the country, corruption still thrives. They highlight that corruption thrives in the executive and legislative arms of government in Nigeria. Olulube (2016) and Kurfi (2020) observe that embezzlement and reckless spending have eaten deep into the fabrics of governance even unto the local government level in Nigeria. They reflect that it manifests through the state joint local government account, embezzlements and reckless spending by local government chairmen, spurious projects, and collusion in the transaction of government businesses, ghost workers, and denial of statutory function. They equally elucidate that education funds misappropriation and mismanagement is a major reason for the deteriorating quality of Nigeria's higher education. Hence, mismanagement of public funds has invaded the shores of every institutional sector in Nigeria.

In the aforementioned scenarios, this article explores the ethical implications of the contemporary misappropriation of public funds accrued from mineral resources and tax in Nigeria under president Tinubu's administration, with a focus on the fuel subsidy removal revenues. The study patronizes personal communication, along with the consultation of existing literature on the research topic as method of data collection. This research work adopts the Public Choice theory for its appraisal, and equally draws its conclusions based on phenomenological and content analysis approaches. By means of examining the ethical dimensions of public financial management, the study delves into issues of transparency, accountability, and the equitable distribution of resources. The analysis underscores the importance of ethical stewardship in public finance to ensure that policy changes, such as subsidy removal, achieve their intended socio-economic benefits without exacerbating existing inequalities or fostering public distrust. Through this ethical lens, the paper provides insights into how Nigeria can better manage its public finances to foster sustainable development and improve public welfare.

### **The Essence of Fuel Subsidy in Nigeria**

Adetayo (2023) and Nigerian Economic Summit Group (2023a) articulate that about 70 million litres of fuel are consumed daily by Nigeria's estimated 230 million people. They highlight that Nigeria exports its crude oil to Europe for refining and then imports it back, leading to high costs. These costs are largely borne by the Nigerian government through subsidies to make fuel more affordable for consumers. The authors elucidate that the retail cost of fuel influences the prices of nearly all goods and services in Nigeria: To mitigate the impact of rising global oil prices, the Nigerian government introduced an oil subsidy in the 1970s. They maintain that the subsidy was formalized in 1977 by the Olusegun Obasanjo military regime with the price control act, which regulated the prices of various items, including fuel.

Onyeizugbe et al (2012) and Nigerian Economic Summit Group (2023b) expose that fuel subsidy means that the government covers part of the cost consumers would normally pay for petroleum products, reducing the price burden on them. They elaborate that the Nigerian government has partially removed this subsidy, arguing that Nigerians are paying less than they should compared to international prices. The authors indicate that fuel subsidy

in Nigeria is one of many consumption subsidy program's of the government: It attempts to lower the fuel cost by providing direct financial support to oil firms, thereby reducing the fuel price for Nigerians. The authors list the benefit of fuel subsidy as including, welfare sustenance and affordability; lower and stable fuel prices; supporting and sustaining industries; and stimulating economic growth.

Akinnibi (2023) enhances that fuel subsidy is the financial support provided by the government of Nigeria to minimize the cost of fuel for consumers. He emphasizes that before it was removed, this subsidy reduced the fuel prices at the pump than the actual market price; owing to the fact that the government has been absorbing a portion of the cost to maintain affordability for everyone. Fuel subsidy in Nigeria ultimately is the government policy where the state pays a portion of the fuel cost to reduce the price for consumers. This is intended to make fuel more affordable and lessen the economic burden on the population.

### **The Implications of Fuel Subsidy Removal in Nigeria**

Nigerian Economic Summit (2023b) argues that the Nigerian government's fuel subsidy commitments have surged to the point where they now exceed earnings from crude oil sales. They intimate that in the first half of 2023, the landing cost of fuel in Nigeria ranged between N500 and N600, but it was sold at an average price of N200 nationwide. This means that the government covered the N300 to N400 difference. They assert that in 2022, approximately N2.74 trillion was spent on fuel subsidies, while oil revenue was just over N600 billion: Affirming that in 2023, the budget allocated N3.36 trillion for fuel subsidies up to June, with an oil revenue projection of N2.23 trillion for the entire year. The authors thus aver that this worsening situation has forced successive Nigeria governments to be borrowing money to pay for the subsidies, making the practice unsustainable for the country. This as a result provoked the subsequent removal of fuel subsidy by the Tinubu administration.

Oluwabukola (2023) reviews that the World Bank warns that subsidy payment could severely strain Nigeria's public finances and threaten debt sustainability. He stresses that with petroleum making up 90% of exports and one-third of GDP, Nigeria's economy heavily relies on this sector. Citing an instance, the author points out that due to subsidy payments, the Nigeria national petroleum company reported zero revenue from oil exports in October 2022, with petrol subsidies costing N199 billion that month alone. Oluwabukola concludes that to alleviate these financial burdens and reallocate funds to other critical sectors, removing fuel subsidy is paramount.

Rabiu (2023), Nigerian Economic Summit Group (2023c) and Onyeiwu (2024) convey that the removal of the fuel subsidy in Nigeria is a divisive and complex issue. They stress that supporters, including some analysts and experts, argue that the subsidy is unsustainable, inefficient, and prone to abuse. They note that it costs the government N1 trillion annually, which could be better allocated to other sectors. They also highlight that the subsidy benefits the rich more than the poor, as the rich consume more fuel, and that it encourages hoarding, smuggling, and fuel diversion to neighboring countries where prices are higher. The authors posit that the supporters of fuel subsidy removal urge the government to maintain its decision and implement reforms to mitigate the policy's impact on the populace. Conversely, the authors posit that critics and activists oppose the fuel subsidy removal, viewing the subsidy as a social contract and a right of the people. They argue that the subsidy provides necessary relief to citizens facing numerous challenges and hardships. They criticize the timing and implementation of the policy, suggesting the government should have consulted the public before making such a significant decision. Additionally, the authors express that the critics of the fuel subsidy removal demand that the government account for the savings from the subsidy removal and ensure transparency and accountability in the oil sector.

Rabiu (2023) asserts that the fuel subsidy removal policy has exposed the deep-rooted problems and structural imbalances in the Nigerian economy, which is predominantly reliant on oil revenue and imports. He insists that it has also probed the trust and the confidence of Nigerian citizens in the government. He however agrees with Nigerian economic summit group (2023a) and Onyeiwu (2024), that if the fuel subsidy removal revenues are properly harnessed and utilized, it will free up funds for infrastructural development, social welfare, and economic diversification. Irrespective of the fact that many Nigerians are still not yet convinced of the Tinubu's administration sincerity and altruism in removing the fuel subsidy owing to the economic recession and security challenges that ensued the policy: Ime Ette, a financial expert (cited by Imukudo, 2023) affirms that the benefits of the policy cannot be immediate considering that the Nigerian economy is not strong. The country cannot equally afford the implementation measures that will ameliorate the removal of the subsidy. In spite of the positive and gainful rationales proposed for the fuel subsidy removal by the Tinubu administration, Rabiu insists that significant number of Nigerian citizens perceive the policy as "a betrayal of the electoral promises and a burden on the already suffering masses" (p. 2).

Ultimately, regardless of the immediate backlash it ensued; the implications of the fuel subsidy removal policy of the Tinubu administration are gainfully oriented, granted the revenues are properly appropriated. They are as follows:

- **Budget reallocation:** Savings from the removal of subsidies could be redirected to other crucial sectors such as healthcare, education, and infrastructure. This could stimulate overall economic development and diversification away from a heavy reliance on petroleum.
- **Inflation:** The immediate effect of removing fuel subsidies would likely be an increase in fuel prices as already being experienced. This could lead to higher transportation and production costs, resulting in overall inflation. The cost of goods and services would rise, potentially decreasing the purchasing power of consumers.
- **Debt sustainability:** By reducing subsidy payments, Nigeria could improve its fiscal balance, reducing the need to borrow and thus enhancing debt sustainability. This could lead to improved credit ratings and better terms for future borrowing.
- **Public discontent:** Fuel subsidy removal will lead to public protests and unrest which is already in occurrence; since it directly impacts the cost of living for citizens. It will disproportionately affect low-income households who spend a larger share of their income on fuel and transportation. Social safety nets and compensatory measures would be necessary to mitigate these effects. The government would need to manage this carefully, possibly by providing targeted support to the most vulnerable populations.
- **Energy sector:** Higher fuel prices could incentivize investments in alternative energy sources and promote energy efficiency. This could lead to a more diversified and sustainable energy sector in the long term.
- **Investment climate:** Clear and consistent economic policies expedited by the fuel subsidy removal could improve investor confidence. This could attract foreign and domestic investments, particularly if the savings are transparently and efficiently utilized.
- **Government credibility:** Successfully managing the transition away from subsidies could enhance the government's credibility and demonstrate its commitment to fiscal responsibility. However, poor management could erode public trust and political stability.
- **Policy continuity:** Ensuring that the removal of subsidies is part of a broader, well-communicated economic reform strategy would be crucial. Consistency in policy implementation effects and ensures long-term benefits.

### **Empirical Studies**

Akanbi (2024) observers that although the elimination of fuel subsidy has resulted in increased revenue for federal, state, and local governments, the situation for many Nigerians has worsened, with more people falling into poverty. Additionally, infrastructure continues to be in a poor state due to the mismanagement of the additional funds by the different levels of government. Abdulmumini (2024) for instance, laments that regardless of the advantages that the Tinubu administration claimed will ensue fuel subsidy removal policy, Nigeria's refineries are still non-functional thereby necessitating the continuous importation of refined petroleum. The fuel subsidy removal policy has been in place for over a year and few months now with no significant positive outcome. The author illustrates that the subsidy removal has also led to increased government revenue, with total distributable revenue increasing from about N786.161 billion in May to about N1.9 trillion in June as the government earned money that would in the past, have been utilized to subsidize petrol. Abdulmumini streamlines that consistent fuel price increase which is one of the major resultant effects of subsidy removal have led to higher transportation costs, affecting both private car owners cum public transporter services like taxis and ride-sharing apps. This rise in costs has also impacted food prices, as transportation of locally produced food and agricultural inputs have become more expensive. Consequently, many Nigerians are staying home to avoid additional expenses, and the overall economic strain has made life increasingly difficult.

The Nigerian Labour Congress (Cited by Ojjezel, 2024) condemns the denial of dividends of the fuel subsidy removal after a year of its legislation. They lament that after one year of the fuel subsidy removal policy, its revenues and dividends has remained elusive, hence they called for action. The president of Association of Senior Civil Servants (ASCSN), Comrade (Dr) Tommy Etim Okon and the president of Nigeria Labour Congress (NLC), Comrade Joe Ajaero (Cited by Ojjezel) recount the pains the masses are going through as a result of the subsidy removal. They emphasize that the subsidy removal has not only pushed more Nigerians into poverty and penury level, but that infrastructures in the country has remained miserable and appalling due to the mismanagement of the accrued revenues by the various tiers of government. They consequently demanded proper accountability from NNPC limited and urged them to inform Nigerians whether the subsidy removal is still in effect, given the amount allegedly owed to oil marketers by the government. Ojjezel enumerates further indices that showcase that the fuel

subsidy removal revenues are not being properly utilized as follows; hike in electricity tariff, proposed cyber security levy, and the lack of renovation and idleness of the oil refinery in Port Harcourt among others.

Nnodim (2024) highlights that the removal of the subsidy on premium motor spirit, popularly called petrol, led to an increase in the statutory revenue allocations from the federation account in 2023, reaching N10.14 trillion. The author states that pertinent to the Nigeria Extractive Industries Transparency Initiatives latest report, the federal, state and local governments shared N1.93tn more in 2023 compared to 2022. This increase is attributed to president Bola Tinubu's removal of fuel subsidy. Relatively, I. Ibeh, N. Ezenwa, O. Anene and R. Kanu (Personal communication, July 24th, 2024) interrogate the judicious use of these huge allocations to the various tiers of government in Nigeria, pointing out that there is no evidence of such as exhibited in the retarded socio-economic growth and development of the country; along with the fact that the health and education sector of the Nigeria's institutions are not being properly maintained and refurbished.

In lieu with the foregoing, the projection of Onyeizugbe et al (2012) should be adopted since they argue that there is no significant relationship between fuel subsidy removal and job creation in Nigeria. Hence they conclude that fuel subsidy removal is an important element in the larger scheme to accelerate business growth and development. However, the government should embark on programs that will create more jobs; back the subsidy removal with gainful agenda; and encourage subsequent studies by independent competent inquirers and policy professionals to ensure the success of the program in Nigeria.

### **Justifications for the Allegations of Mismanagement of Fuel Subsidy Removal Revenues in Nigeria**

Realizations from this study hitherto posit that Nigerians allege that the revenues from the fuel subsidy removal are being misappropriated based on the following points:

- 1. Zero or marginal improvement on the nation's infrastructure, healthcare and education:** Despite efforts and initiatives pertinent to the fuel subsidy removal policy, Nigeria has seen zero or marginal improvement in its infrastructure, healthcare, and education sectors. Roads and public facilities remain largely underdeveloped, healthcare services continue to struggle with inadequate funding and resources, and the education system is plagued by outdated curricula and insufficient facilities. These minimal advancements fall short of the substantial progress needed to meet the country's growing demands and improve the quality of life for its citizens.
- 2. Lack of transparency:** There is insufficient transparency regarding how the funds saved from the subsidy removal are being allocated, and spent, leading to suspicions of mismanagement.
- 3. Continued economic hardship:** Despite the removal of subsidies, many Nigerians continue to experience economic hardship, with no significant relief or benefits observed from the reallocation of funds. The removal of fuel subsidies has led to higher fuel prices, which in turn has increased the cost of living, without corresponding improvements in public services or infrastructure to justify the hardship.
- 4. Corruption allegations including government credibility issues:** Nigeria has a history of corruption as Sanni (2022) and Enweremadu (2021) infer. Hence, this boosts the ongoing allegations that officials are siphoning off funds meant for public projects and services. The Nigerian government has faced credibility issues due to previous instances of financial mismanagement, making the public skeptical about the effective use of subsidy removal revenues.
- 5. Delayed or incomplete projects:** Many public projects that were supposed to benefit from the subsidy savings are either delayed or incomplete, raising doubts about the proper use of funds.
- 6. The recent discord and crises between Alhaji Aliko Dangote and the Federal Government of Nigeria alongside the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA):** The documentations of Asadu et al (2024), Adesina (2024), Leadership News (2024), Babatunde et al (2024) and Addeh et al (2024), indicate that the controversy surrounding the recent rift together with the accusations and counter accusations of business cum economic sabotage between the federal government of Nigeria together with the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), and Dangote Petrochemical Complex Director, Alhaji Aliko Dangote, equally stimulates the suspicions of mismanagement of the fuel subsidy removal funds by the Nigerian government. The Nigerian citizens perceive the preference for continued importation of refined products rather than relying solely on the Dangote Refinery, citing energy security concerns, by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) as self-interest and corruption within the regulatory authority since importation of petroleum products is a significant source of revenue for some officials. Nigerians equally blames the inability of Dangote refinery in securing necessary financial arrangements to operate efficiently on the inflation and the fluctuating value of the Nigerian naira against the US Dollar fostered by fuel subsidy removal of the Tinubu administration. The authors document that the broader economic and political environment in Nigeria also impacts Dangote's

refinery operation. They delineate that the Nigerian government and various stakeholders are embroiled in ongoing issues of economic sabotage, illegal oil activities, and corruption within the petroleum sector. These issues equally contribute to the instability and inefficiencies that affect domestic production and refining efforts.

### **Public Choice Theory**

According to Longley (2022), Public Choice theory holds that decision-making in democratic governments is induced by “selfish benevolence” on the part of elected government representatives or employees. That is to say that in simpler terms, the theory assumes that government officials are driven more by personal gain than by a genuine wish to improve society’s well-being.

Jayachandran et al (2024) explain that Public Choice theory employs economic methods to explore topics typically handled by political scientists. It aims to analyze governance issues based on the assumption that voters, elected officials, and bureaucrats act primarily to benefit themselves rather than to improve society’s overall welfare. The author portrays that the theory uses the same principles economists use to study consumer behaviour in markets to examine the decision-making processes of government officials. Economists argue that people’s actions in the market place are driven by self-interest, leading them to make choices that best serve their needs. Public Choice theory extends this concept to understand how government decisions are made.

Shaw (2024) illuminates that Public Choice theory, a subset of economics, originated from the analysis of taxation and public spending. It gained prominence in 1950s, and became widely recognized in 1986, when James Buchanan, one of its man founders (alongside Gordon Tullock), introduced it in his book “The Calculus of Content”: This facilitated his being awarded the Nobel Prize in economics. According to the author, Buchanan established the center for study of public choice at George Mason University, which is still a leading center for public choice research. Other notable institutions in this field according to Shaw includes; Florida Street University, Washington University in St:Louis, Montana State University, the California institute of Technology, and the University of Rochester. Watkins (2024) augments that the theory involves “the interaction of the voting public, the politicians, the bureaucracy and political action committees” (p. 1)

Ultimately, Public Choice theory analyzes the behaviour of politicians and government officials from an economic perspective, suggesting that they may act in their self-interest rather than the public interest. Misappropriation of public funds can be seen as a manifestation of this self-interested behaviour, contrary to the expected role of public servants.

### **Ethical Evaluation of Mismanagement of Fuel Subsidy Removal Revenues via the Public Choice Theory**

Public Choice theory can be employed to ethically evaluate and correct the misappropriations of funds from the removal of the fuel subsidy in Nigeria by considering the following aspects:

- **Self-interest and incentives:** Public Choice theory assumes that government officials and politicians act based on their self-interest, similar to individuals in the private sector. Misappropriation of funds can be seen as a consequence of the incentives and opportunities available to these officials. Evaluating the current incentive structures can reveal how they might encourage corrupt practices. For example, lack of transparency and weak oversight mechanisms might incentivize officials to divert funds for personal gain.
- **Principal-agent problem:** The theory highlights the principal-agent problem where the citizens (principals) delegate authority to government officials (agents). When agents do not act in the best interests of principals, misappropriation occurs. It suffices that evaluating the effectiveness of accountability mechanisms and the extent to which agents are held responsible for their action is crucial.
- **Collective decision-making and rent-seeking:** Public Choice theory also examines how collective decision-making processes can lead to rent-seeking behaviour, where individuals or groups try to gain economic advantage through manipulation or exploitation of the political environment. Examining the extent of rent-seeking behaviours among officials can help identify systematic issues that contribute to fund misappropriation.

### **Ethical Landscape Associated with the Mismanagement of Fuel Subsidy Removal Funds in Nigeria**

While intended to generate funds for developmental projects as evidenced in this study, the alleged mismanagement of fuel subsidy removal revenues raises the following critical ethical concerns:

- **Transparency and accountability:** The principle of transparency necessitates that government actions, especially those involving public funds, be conducted openly. In the case of Nigeria, allegations of continued, albeit hidden, fuel subsidies and the misuse of funds indicate a severe transparency deficit.

Effective oversight mechanisms and public disclosure of financial records are crucial for maintaining trust. Accountability involves holding public officials responsible for their actions. The reported clandestine continuation of subsidies alongside diversion of public funds as Zakariyau (2024), Ukaibe (2024) and Izuaka (2024) account, contradicts the governments public statements, highlighting a breach of accountability to the citizens.

- **Public choice theory:** Public choice theory suggests that government officials may act in their self-interest, leading to potential corruption and misallocation of resources. The allegations of fund misappropriation suggest that the incentive structures within the government may be flawed, encouraging officials to prioritize personal or political gain over public welfare. For instance, M. Yesufu, E. Iiyah, P. Ayesuwa, J. Ndatao, F. Fagbemi, O. Ezebu and T. Lebeka (Personal Communication, July 22nd, 2024) allege that the Tinubu administration is practically frustrating Dangote's refinery because Alhaji Aliko Dangote did not support President Bola Tinubu during his campaign for the Presidency, but rather he pitched his tent with Atiku Abubakar: That is basically egotistical, and depicts the pivotal argument of Public Choice theory.
- **Utilitarian considerations:** Pertinent to the utilitarian perspective, policies should aim to maximize overall happiness and welfare. The misappropriation of funds intended for public projects undermines this goal, as it likely exacerbates poverty, reduces access to essential services and heightens public discontent. Ethical governance requires that resources be used to benefit the majority, not a privileged few.
- **Deontological reflection:** Deontological ethics emphasizes duty and adherence to rules. Government officials have a duty to manage public funds responsibly and ethically. Misappropriation of funds is a clear violation of this duty, reflecting a broader disregard for the rule of law and ethical standards.
- **Virtue ethical analysis:** Virtue ethics emphasizes on individuals nurturing themselves and inculcating all the dimensions of altruism. Mankind thus ought to be naturally public-spirited. It should equally be emulated, understudied and learned. Misappropriation of public funds pertinent to mismanagement of fuel subsidy removal revenues depicts act done in selfishness, covetousness, indiscipline and conspiracy. It even behoves that a significant number of government officials and the masses aided and abetted such irregularity and absurdity. Nigerians should start emphasizing on discipline, integrity and honour as learned behaviours that all and sundry should inculcate and nurture. It is totally absurd and pathetic for a country to be renowned for being perpetually corrupt and unscrupulous. Such country will keep registering retarded growth and comprehensive backwardness.

### **Effective Ethical Strategies to Prevent the Mismanagement of public Funds by government officials in Nigeria**

The mismanagement of public finances, particularly in the context of fuel subsidy removal in Nigeria, underscores the need for robust governance frameworks. The following suggestions are deemed substantial by this study in this regard:

- i. **Strengthening institutional framework:** Enhancing the capacity and independence of anti-corruption bodies is vital. Institutions like the Economic and Financial Crimes Commission (EFCC) need adequate resources and autonomy to investigate and prosecute corruption effectively. The Nigerian authorities should endeavour to be appointing incorrupt, diligent and integrity oriented personalities into such offices. Legal reforms to close loopholes that facilitate misappropriation and ensure rigorous enforcement of anti-corruption laws are essential
- ii. **Promoting citizen engagement:** Increasing public participation in monitoring government expenditures can help hold officials accountable. Mechanisms such as participatory budgeting and community oversight committees empower citizens to scrutinize government actions and demand accountability. Education campaigns to raise awareness about citizens rights and the importance of transparency can foster a more informed and engaged populace.
- iii. **Implementing vigorous transparency measures:** Mandating regular audits and public disclosure of government finances, particularly concerning funds from subsidy removal, can deter corruption. Transparency portals and open data initiatives can provide real-time information on government spending, enhancing public oversight.
- iv. **Aligning incentives with public welfare:** Reforming salary structures and performance incentives for public officials to align with ethical behaviour and public service objectives can reduce the temptation for corruption. Clear consequences for unethical behaviour, including loss of office and legal penalties, must be established and enforced.
- v. **Decentralization of power:** Decentralizing decision-making processes to lower levels of government can reduce the concentration of power on the federal character and make it easier to monitor and control the use of funds. Local governments can be more responsive to the needs and

oversight of their communities, reducing the chances of misappropriation. The recent plans by the national assembly of Nigeria to legislate granting the local government autonomy to conduct local council's election as chronicled by Umoru (2024) and Terzungwe et al (2024), is commendable.

### Conclusion

This article provides a foundational analysis of the ethical issues surrounding the mismanagement of public funds related to fuel subsidy removal under Tinubu's administration in Nigeria. The lack of transparent mechanisms and oversight in the utilization of fuel subsidy removal revenues raises questions about the true beneficiaries of these revenues. As long as the funds are not managed responsibly, the very objectives of the policy reform are undermined, leading to further erosion of public trust and exacerbation of socio-economic inequalities.

Ethically, the mismanagement of these resources reflects a broader issue of accountability and governance. Effective stewardship of public funds requires not only rigorous financial oversight but also a commitment to ethical principles that prioritize the welfare of the populace over personal or political gains.

It is pertinent to underscore that this study does not claim to be exhaustive. The scope of the research is limited by the availability of data and the complexity of financial flows within the public sector. There remains significant room for further research to explore detailed case studies, assess the long-term socio-economic impacts of the subsidy removal, and examine the efficiency of specific accountability measures. Additionally, more granular investigations into local-level mismanagement and stakeholder perspectives could yield a more comprehensive understanding of the issues and inform more effective policy recommendations.

### Recommendations

This study in respect of its deliberations recommends the following:

1. The Nigerian state should prioritize on adopting the culture of honour, contentment, and integrity. This mindset is essential to combat embezzlement of public funds in Nigeria, as it promotes ethical behaviour, reduces greed, and fosters accountability.
2. Nigerian citizens should thoroughly research on candidates in public elections past actions and track records, ensuring consistency between their words and actions, transparency in office, handling of public resources, and involvement in corruption cases. They should always engage with reputable sources, attend public debates, and participate in community discussions to form an informed opinion about candidate's integrity before voting.
3. Nigerian public office holders should always prioritize the nation's interests above personal or political gain. They should demonstrate transparency, accountability, and ethical behaviour in their roles, ensuring that their decisions and actions benefit the public and foster national unity. Public office holders should engage with their communities, listen to their constituents needs, and work towards sustainable development and social justice. By embodying these values, they can inspire trust and confidence in their leadership and contribute to the nation's progress and stability.
4. Nigerian citizens should focus on community engagement and volunteerism: Participating in local initiatives, supporting one another, and contributing to communal projects while motivating individuals in fostering the spirit of cooperation and mutual assistance. This will equally help in creating a sense of shared responsibility and satisfaction derived from contributing to the well-being of others. Encouraging a mindset that values collective progress over personal gain can lead to greater social harmony and overall improvement in quality of life.

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