

**AN ASSESSMENT OF THE PROSPECTS AND CHALLENGES OF SUBSIDY RE-INVESTMENT  
AND EMPOWERMENT PROGRAM (SURE-P) OF FORMER PRESIDENT GOODLUCK  
JONATHAN ON NIGERIANS**

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**Abstract**

*Subsidy re-investment and empowerment program (SURE-P) was a strategy and an economic empowerment policy introduced by the Goodluck Jonathan administration purposely to cushion the impacts of subsidy removal from Premium Motor Spirit (PMS) on Nigerians. This was designed to be achieved through the provision of infrastructure, social amenities, skills and other economic and social activities that would directly or indirectly impact positively on the lives of Nigerians. Programs ranging from road constructions, provision of buses, engaging youth into productive ventures and so on were introduced to this effect. Some level of success have been recorded in some aspects of the programs but also accorded lots of criticisms mainly due to the programs' inability to yield the expected results. Problems such as corruption, mismanagement of funds, misplacement of priorities, exclusion of some section of the population and what have you have been attributed to the program. This paper presents a discourse on issues related to subsidy as it affects SURE-P ranging from the conceptions of the program to its design, policy framework and implementation. It also discusses some of the achievements and challenges associated with the program, as such recommends, among other things, that subsidy, in itself, is desirous and should be extended to other facets of people's needs.*

**Keywords: Assessment, Empowerment, Investment, Program, Subsidy**

**Introduction**

With a maximum crude oil production capacity of 2.5 million barrels per day, Nigeria ranks as Africa's largest producer of oil and the sixth largest oil producing country in the world. Nigeria's gas production in the year 2000 alone, for example, was approximately 1,681.66 billion scf, 1,3715 billion scf was associated gas and the rest 310.16 billion was non associated gas. (Nigerian National Petroleum Corporation, 2016). The country had 4 refineries with an installed production capacity of 445,000 barrels of fuel per day, adequate to meet its domestic needs with a surplus for export (Okonta, Oronto & Khan, 2001). Nigerian oil fields are situated in the Niger Delta area of the country. The Niger Delta area is viewed as the third, largest wetland in the world, whose flora and fauna has sustained life for generations (Azaiki, 2003). For decades running, its oil wealth has provided the bulk of Nigeria's wealth. In the 1970's, era of oil boom, oil gave Nigeria a significant economic power and diplomatic leverage (Feyide, 1986). In spite of having fabulous economic potentials, and a territory blessed with natural resources, Nigeria has not fared so well, economically. Yet the country is a large net importer of gasoline and other petroleum products, the youths are the worst hit and unemployment rate is always on the increase. Inflation runs at roughly 10% per annum (Onyeizugbe & Onwuka, 2012). Over the years, it is observed that the socio-economic prospects of the Nigerian citizens have dwindled and youth empowerment is at its lowest ebb, even as the

earnings and income generated from oil continued to sky-rocket (Iluyomade, 2011). The greatest challenge facing the country today is absence of youth empowerment, our youths are not empowered. Youths after graduation roam the streets of Nigeria in search of work; unemployment has maintained a rising trend over the years. Over 50 percent of the Nigerian youth populations are unemployed. A recent survey puts the figure at 54 percent. This figure was reduced by about 16 people on 15th March 2014, not as a result of job provision, but by the claws of death at the Nigerian Immigration Service recruitment exercise (Okon, 2014). The numbers of applicants were not fewer than seven hundred thousand with about four thousand positions (Osolor, 2012).

Every year, over 300,000 graduates are churned out from the tertiary institutions nationwide (Banki, 2012). This number grows yearly and translates into more and more youths wandering the streets of Nigerian cities. There is no doubt that youth's unemployment is a societal problem in any nation, but the Nigerian situation is something else. This most times account for most of the social crimes perpetrated by graduates in Nigerian society today, such as prostitution, armed robbery, oil bunkering, internet frauds, drug addiction, trafficking, rape, kidnapping and all facets of violence like the militant in the Niger Delta and Boko Haram in the North East among others.

It is an established fact that many successive Nigerian governments have initiated series of programmes in order to salvage the country poverty situation. The administration of Sani Abacha went as far as setting up the defunct Petroleum Trust Fund (PTF) which invested the saved funds in specific and identifiable projects. However, the more the increase in the price of fuel, the more Nigerians continue to witness poor governmental service delivery, increase in unemployment rate and public infrastructure continues to decay. This development fuels another round of steps and advocacy by government for further reductions to, or removal of what has become a doubtful subsidy. Moreover, successive Nigerian governments have been unable to use the oil wealth to empower the youths (Banki, 2012). This has been categorized as one of the serious impediments to social progress. Apart from representing a colossal waste of a country's manpower resources, it generates welfare loss in terms of lower output, thereby leading to lower income and well-being (Raheem, 1993).

Subsidy Reinvestment and Empowerment Programme (SURE-P) was targeted to ensure that the Federal Government's part of the savings from fuel subsidy removal or reduction is applied to mitigate the spate of youth unemployment in the country through the re-investment of the subsidy funds. Based on the issues highlighted above, the purpose of this study is to assess the prospect and challenges faced by Subsidy Reinvestment and Empowerment Programme (SURE-P) in Nigeria.

SURE-P was initiated in order to elevate and savage the unquantifiable Nigerians suffering from abject poverty as well as the challenges of massive youth unemployment, infrastructure decay to mention but few. Paradoxically these active intent and agenda of the programme has drowned a contending and endless debate, some believes that the programme has gone a long way in reducing the poverty level and enhance infrastructural decay while others debunked the formal and insist that yet the country has not benefited anything reasonable. It is in view of the above that this paper is aimed at examining the impact of SURE-P on Nigerians, to determine reasons why government halted the programme and find out challenges confronted by SURE-P in Nigeria.

### **Subsidy and Fuel Subsidy**

Subsidy can tentatively be defined as any government program that potentially permits the firm to increase its profits beyond what they would have been in the absence of the government program (FGN, 2013). Nwafor (2013) sees subsidy as a kind of employment strategy beneficial to the masses applied by government to reduce unemployment, this can be through financial support by the government. Schrank & Keithy (1999) referred to subsidy as an assistance given by government especially to industries in order to prevent the industries from falling. A subsidy is an assistance paid to a business or economic sector mainly by the government to prevent the decline of that industry (Todaro & Smith, 2009).

On the other hand, the Oxford Advanced Learners Dictionary (2001) defined a subsidy as money that is paid by a government or an organization to reduce the cost of services or of producing goods so that their prices can be kept low. It is to sell a product below the cost of production. According to Chukwuma and Ugwuerrua (2014) a subsidy is an economic benefit or financial aid provided by a government to support a desirable activity, so as to keep prices low, maintain the income of the producers of critical or strategic products, maintain employment levels, or induce investment to reduce unemployment. Schrank and Keithly (1999) defined it as any government program that potentially permits the firm to increase its profits beyond what they would have been in the absence of the government program. A subsidy can also be referred to as an assistant to a business or economic sector or producers.

Todaro and Smith (2009) posited that the major aim of all subsidies is to reduce the market price of an item below its cost of production. Most subsidies are put in place by the government for producers or are distributed as subventions in an industry to prevent the decline of that industry (e.g.. as a result of continuous unprofitable operations) or an increase in the prices of its products or simply to encourage it to hire more labour (as in the case of a wage subsidy). Examples are subsidies to encourage the sale of exports; subsidies on some foods to keep down the cost of living, especially in urban areas; and subsidies to encourage the expansion of farm production and achieve self-reliance in food production. A subsidy is a reverse tax. It is a deliberate attempt by government to support a chosen economic agent, a consumer and a provider and it can be applied in any market that involves the buying and selling of products and or services. As explicitly indicated in the United Nations Environment Programme (UNEP) document (2003) subsidy is basically a government action that decreases the consumption price of the consumer and (or) increases the selling price of the producer. According to the Centre for Public Policy Alternatives (2012) fuel Subsidy can be seen as money used by government for developmental purposes of which its source is from the masses.

Within the Nigerian context, fuel subsidy means to sell petrol below the cost of importation. Fuel subsidies are the financial assistance rendered by the federal government of Nigeria to the oil sector to enable consumers buy petroleum product at a cheaper rates.

A fuel subsidy is also any government action that lowers the cost of fuel energy production, raises the price received by energy producers or lowers the price paid by energy consumers. However, the application of or the use of subsidies is not exclusive to developing economies. Subsidies span different types of economic activities, the most featured in popular press tend to be agricultural and energy related subsidies. The subsidy could be direct in the form of price controls, tax exemptions or the provision of grants; this more or less entails the injection of cash back into the hands of either the consumer or the producer. Tilting more in the form of provision of industrial input requirements based on favourable regulator, frameworks, research and development, is termed indirect subsidy. However, Global Subsidies Initiatives (2010) highlighted different types of subsidies to include the following: Grants and other direct payments; Tax concessions; In-kind subsidies; Cross subsidies; Credit subsidies and government guarantees and Hybrid subsidies.

### **Fuel Subsidy Removal and Protests in Nigeria**

The history of issues on fuel subsidy in Nigeria dates back to April 1992 when Ibrahim Babangida's government raised the price of a liter of fuel from 15.3kobo to 20kobo. He did it again on March 31, 1986, from 20k to 39.5k; on April 10, 1988, from 39.5k to 42k. On January 1, 1989, he increased the price from 42k to 60k (although the regime said it was for private vehicles only, but the price remained 42k for commercial vehicles). On December 19, 1989, it moved to a uniform price of 60k. On March 6, 1991, the price of a liter of fuel was increased from 60k to 70k and that was the price when he stepped aside in August 1993. Chief Ernest Shonekan 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 incoming Abacha regime reduced the increment to N3.25 on November 22, 1993. On October 2<sup>nd</sup> 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 caretaker 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 Obasanjo's presidency adopted fuel subsidy as the bedrock of its economic policy, for no sooner than it was sworn in that it effected an increment to N30 on June 1, 2000 but protests and mass rejection forced it to reduce the increment to N25 on June 8, 2000 and further down to N22 on June 13, 2000. The regime was again to increase the price to N26 on January 1, 2002 and again to N40 on June 23, 2003. He was to raise it up to N70 by the time he left in May 2009 but the incoming Yar'Adua regime reduced it to N65, after general protest against the new price regime. Although the Yar'Adua government made efforts to increase the price of petroleum products it could not scale through following increased mass disapproval for such act (Akinwalere, 2013).

The Table below provides a clearer picture of the different pump prices by the different administrations.

| Date | Administration | Period        | Prize         |
|------|----------------|---------------|---------------|
| 1.   | Gowon          | 1973:         | 6k to 8.45k   |
| 2.   | Murtala        | 1976:         | 8.45k to 9k   |
| 3.   | Obasanjo       | Oct 1,1978:   | 9k to 15.3k   |
| 4.   | Shagari        | Apr 20,1982:  | 15.3k to 20k  |
| 5.   | Babangida      | Mar 31, 1986: | 20k to 39.5k  |
| 6.   | Babangida      | Apr 10, 1988: | 39.5k to 42k  |
| 7.   | Babangida      | Jan 1, 1989:  | 42k to 60k    |
| 8.   | Babangida      | Mar 6, 1991:  | 60k to70k     |
| 9.   | Shonekan       | Nov 8, 1993:  | 70k to N5     |
| 10.  | Abacha         | Nov 22, 1993: | N5 to N3.25k  |
| 11.  | Abacha         | Oct 2, 1994:  | N3.25k to N15 |
| 12.  | Abacha         | Oct 4, 1994:  | N15 to N11    |
| 13.  | Abubakar       | Dec 20, 1998: | N11 toN25     |
| 14.  | Abubakar       | Jan 6,1999:   | N25 to N20    |
| 15.  | Obasanjo       | June 1, 2000: | N20 to N30    |
| 16.  | Obasanjo       | June 8, 2000: | N30 to N22    |
| 17.  | Obasanjo       | Jan 1, 2002:  | N22 to N26    |
| 18.  | Obasanjo       | June, 2003:   | N26 to N42    |
| 19.  | Obasanjo       | May 29, 2004: | N42 to N50    |
| 20.  | Obasanjo       | Aug 25, 2004: | N50 to N65    |
| 21.  | Obasanjo       | May 27, 2007: | N65 to N75    |
| 22.  | Yar' Adua      | June, 2007:   | back to N65   |
| 23.  | Jonathan       | Jan 1,2012:   | N65 to N141   |
| 24.  | Jonathan       | Jan 17, 2012: | N141 to N97   |
| 25.  | Jonathan       | Feb, 2015:    | N97 to N87    |
| 26.  | Buhari         | May 11, 2016: | N87 to N145   |

Source: Fayemi (2017)

General Babangida (Rtd) increase the pump price on Jan 1, 1989 from 42k to 60k but only for private vehicles. While Chief Shonekan, who spent only 82 days in power, increase the price from 70k to N5 on Nov 8, 1993. Late President Yar' Adua dropped the price from N75 back to N65 in June, 2007. Increment of the pump price from N65 to N141 by Goodluck Jonathan Jan 1,2012 was seen by many Nigerians as the New year present, thought the organized labour strike forced him to cut the price down to N97 on Jan 17, 2012. However, as the election approaches, in Feb, 2015, the pump price was cut down to N87 per litre. President Buhari increased the price of petrol from N87 to N145 on Wednesday, May 11, 2016.

Yar'Adua is the only president who did not increase pump price. He reduced it from N75 to N65 (Fayemi, 2017).

According to Ering & Akpan (2012) SURE-P Designed Document, Financial Institutions (BFI) Division and Federal Ministry of Finance outline some specific strategic rationale for discontinuing subsidies on petroleum Products as follows:

1. That a subsidy regime in which fixed price is maintained irrespective of market realities has resulted in a huge unsustainable subsidy burden.
2. That fuel subsidies do not reach the intended beneficiaries. Subsidy level is directly correlated with household income, as richer households consume larger quantities of petroleum products. Consequently, the subsidy benefits the rich mostly.
3. Subsidy administration is beset with inefficiencies, leakages and corruption.
4. Subsidy has resulted in the diversion of scarce public resources away from investment in critical infrastructure, while putting pressure on government resources.
5. Subsidy has discouraged competition and stifled private investment in the downstream sector. Due to lack of deregulation, investors have shied away from investment in the development of refineries, petrochemicals, fertilizer plants, etc. It is important to note that since the year 2000, the government has issued 20 licenses for new refineries, none of which have resulted in construction of industry which will lead to rapid private sector investment in refineries and petrochemicals, which will generate millions of job and lead to increased prosperity for our people.
6. Huge price disparity has encouraged smuggling of petroleum products across the borders to neighboring countries, where prices are much higher. Nigeria therefore ends up subsidizing consumption of petroleum products in neighboring countries.
7. The discontinuation of the fuel subsidy scheme will save additional resources for investing in programs targeted at mitigating poverty and spurring economic growth. The Federal Government of Nigeria is therefore committed to setting up a mechanism to ensure that these additional resources are channeled into high impact and visible programs that will benefit all Nigerians, and especially target the poor and most vulnerable in the country.
8. International experience has demonstrated that the potential impacts of petroleum subsidy removal on the poor can be mitigated through well targeted safety net programs. Examples from several countries, including Indonesia, Brazil and Iran demonstrate that the impact of similar subsidy withdrawals on the poor can be mitigated through well targeted and executed safety nets programs, such as those which focus on pregnant women and youth. These social safety nets are particularly important in Nigeria as we undergo the demographic transition with a projected significant increase in the young population of working age, providing an opportunity for the country to realize its demographic dividend.
9. The improved fiscal space as a result of the withdrawal of the petroleum subsidy also offers an opportunity to accelerate investments in critical infrastructure that will directly spore economic growth and create jobs. This is consistent with this administration's Transformation Agenda to achieve the Vision20:2020. Nigerians are craving for improved power, road, railways and other infrastructure to deliver inclusive economic growth and improve their quality of life.

However, in the detailed implementation of SURE-P, a lot of schemes ranging to about eight components were marshalled out for execution, within the programme's life span, that will terminate in 2015. These components and their subsets are outlined below as follows:

1. Social safety net programmes with subset schemes as maternal and child health services, generation of public works/women and Youth Empowerment Programme through women and youth employment, the improvement of the urban transportation through the urban mass transit scheme and the vocational training schemes.
2. Niger Delta Development Project with essential aspects mainly on accelerating and completion of Niger Delta roads.
3. Other national road infrastructural projects as Abiya-Abaji-Lokoja dual carriage way, etc.
4. The rail transport projects which involves the rehabilitation and restoration of abandoned railway infrastructure and the construction of new ones such as Lagos-Ibadan standard dual Gauge etc
5. The water and agricultural projects involving the revitalization of some irrigation projects as Lower Anambra River and Adani Rice etc
6. For some rural, urban and regional water schemes, the following among other 22 projects are involved in this area. These are Aba/Umuahia, and Greater Onitsha water projects etc

7. Selected Power Projects for renovation, construction and completion are about 17 in number. Some of them are Manbilla Hydro power project and Waye small Hydro power plant etc
8. The petroleum/NNPC projects will involve the restoration of the petroleum pipeline system and the upgrade and construction of Green field refineries in Bayelsa, Kogi and Lagos States respectively and finally, the Information and Communication Technology (ICT) projects which includes among others as the boosting of the national broadband connectivity and the establishment of ICT infrastructures in all tertiary institutions of Nigeria.

In terms of the mechanisms of funding these SURE programmes in Nigeria, the federal government in the SURE Programme Document (2011, p. 4) stated that:

The total projected subsidy reinvestment fund per annum is N1.34 trillion based on an average crude oil price of US\$ 90 per barrel. Out this N478.49 billion accrues to federal government, N411.03 billion to state governments, N203.23 billion to local governments, N9.86 billion to the Federal Capital Territory (FCT) and N31.37 billion as transfers to Derivation and ecology, development of natural resources and stabilization funds. In an attempt to spread the implementation of the SURE programmes to all levels of governance in the country, the federal government of Nigeria as stipulated in the SURE document (2011) emphasized that the programme is focused on utilization of federal government share of the subsidy. Every state and local government is expected to design its own programme and utilizing its portion of the subsidy reinvestment funds. The subsidy reinvestment funds from the discontinuation of the fuel subsidy will be used for the implementation of the programme and to reduce our borrowing needs. The federal government has decided to channel its own share of the resources into a combination of programmes to stimulate the economy and alleviate poverty through critical infrastructure and safety net projects.

#### **Expected Success of Subsidy Re-investment and Empowerment Program**

There is no doubt that one of those reasons SURE-P was initiated in the first place was to empower the youths. A youth is any individual within the age of eighteen and thirty five years irrespective of gender (Lawson, 2012). While empowerment can be seen as the means of assisting, helping or encouraging people to development their own self. Youth empowerment in a nutshell is the means through which the youths of any country are assisted to succeed in life. It is shameful that when youth empowerment is mentioned, people think that it is only the function of the government to empower the youths. This is not so, an individual can empower the people around him/her. Youth Empowerment is an attitudinal, structural, and cultural process whereby young people gain the ability and authority to make decisions and implement change in their own lives and the lives of others (Obuzuwa, (2012). Generally, some people understand youth empowerment as the means through which the youth are encouraged financially or skillfully. Meanwhile, the word 'empowerment' is used on everyday life of people across societies. But youth empowerment is beyond these, it involves a lot more, ranging from all those activities that will transform the youth into a better individual. The process is the outcome by which youth, as change agents, gain the skills to impact their own lives and lives of other individuals, organizations and communities.

SURE-P intends to empower youth through the execution of public capital projects such as the East West Road. This project, according to officials of SURE-P (2012) is an adaptive scaling up of the Federal Roads Maintenance Agency (FERMA) direct labour activities aimed at creating mass employment opportunities through the implementation of nationwide road maintenance, public works programs that should provide safe and motorable road linkages across the economic zones of the country. Several states have commenced employment of staff for these jobs and this has helped reduce unemployment and crime in these states. Also, 10,000 unskilled workers and 2,400 skilled workers were employed under the Public Works/FERMA programme at the federal level. While 700 primary healthcare centers were rehabilitated across the country.

Under the mass transit programme, SURE-P collaborated with stakeholders in the transportation industry by applying part of its funds to support a revolving loan scheme for road transport operators across the country. The loan scheme, managed by the Infrastructure bank, helps reduce the cost of transport to citizens, to cushion the effects of partial fuel subsidy removal. So far, over 2000 buses were procured through SURE-P. The first batch was launched on June 17, 2013 with 170 vehicles; the vehicles painted yellow and blue are part of FCTA's drive to make Abuja taxes completely new with traffic management

that ensures safety and seamless movement. The then Senate President, who was represented by the Senate Deputy Leader and Chairman of Senate Committee on SURE-P, Senator Abdul Ningi, assured that the Senate will expedite action on the bills for the establishment of the FCT Board of Internal Revenue and FCT Property Tax, he said if the bills are made laws, they will enable FCT to increase its revenue base to fund key infrastructure and public service programs. The FCT Minister then, Bala Mohammed, said this is in fulfillment of the pledge made to the people; adding that “with this, we have succeeded in introducing 340 taxis into the system (National Bureau of Statistics, 2010). A taxi scheme, known as the Abuja Taxi Scheme and operated through collaboration between SURE-P and Abuja Investment Company Limited (AICL), was launched. The scheme commenced in May 2013 with the release of funds by the FCT Sure-P. Today 350 brand new vehicles have been made available and this will continue to grow if properly manage.

SURE-P also incorporated issues of agriculture and rural development in its scheme. Funds were allocated to research and mechanization, provision of funds was made for the construction of access roads to each of the 6 Staple Crop Processing Zones. Funds were allocated to the development of value chains in cocoa, rice, maize, livestock, cotton and others sectors, funds were also allocated to the Price stabilization scheme, allocation of funds were made to facilitate for the access to credit, fertilizers and seeds.

The Niger Delta project was another important project of sure-p. The main road project in the Niger Delta is the 338km East-West Road, spanning from Warri in Delta state through Kaiama (Bayelsa) to Port-Harcourt (Rivers) through Eket to Oron in Akwa Ibom state. In order to accelerate its completion, additional funds were allocated from the SURE programme and this has gone a long way to accelerate work on the project. Sure-p also include roads and bridges, the Abuja-Lokoja road project was almost nearing completion as a result of additional funds that have been injected from SURE-P, besides budgetary allocations for the Benin-Ore-Shagamu road project, additional funds from the SURE Programme have ensured increased pace of work on the road, besides budgetary allocations for the Port-Harcourt–Onitsha road, additional funds for the project was also made available from SURE-P. Similarly, besides budgetary allocations for Kano-Maiduguri road, additional funds from SURE Programme were helped to speed up the project, besides the budgetary provisions that were been made for construction of the Second Niger Bridge and Oweto Bridge, additional fund was allocated for both bridges respectively from the SURE Programme, also, over 4132km of road maintenance projects have been funded with the help of funds from SURE-P in the North west alone, SURE-P intervention has also been sought to complete the Apo-Karshi road construction work, which was captured in its 2014 budget.

Between 2012 and 2015, large financial investment was planned for rural water scheme, water supply scheme, irrigation scheme and other water related projects from SURE-P, SURE-P funds assisted in the dredging of the River Mariga that runs past Zungeru in Niger State. Same on power, a reasonable share of the funding for Power projects (Mambilla power plant, Coal Power Plant and Small Hydro power plants) came from the SURE-P over the period 2012-2015. Apart from the Graduate Internship Scheme (GIS), to ensure that youths are attached as apprentices in reputable public/private firms for a period of one year where their skills will be sharpened for better employment prospect, 111, 000 jobs were created under the community service scheme and another 6, 000 under the maternal and child healthcare programme (NBS, 2011). On the technical and vocational training initiative, one of its key areas of focus, according to SURE-P coordinators, drawn up plans to train people on software because the future depends on this. The plan is to start with about 1000 people. Part of the area that the programme concentrated on was to train the needed manpower that the Power sector would require as it expands.

To achieve this, a plan was developed to sign an MoU with the National Power Training Institute (NAPTIN). By the agreement, The NAPTIN is to train engineers with minimum of 2-2 in electrical and mechanical disciplines for one year, over 104,000 graduates applied for various internships and about 300 companies have signed unto the programmes to train Nigerian youths in various fields. Huge funds was also allocated to Maternal and Child health from SURE-P, there are over 700 health care centers across the country and a plan was designed to reduce infant mortality to the barest minimum by improving services at these centers. One of the initiatives is setting funds aside that are paid to these mothers in the rural areas to make it easier for them to come to the urban centers for regular antenatal check-ups to avoid death in pregnancy.

Also, through the SURE-P, N18 million was paid to 15, 000 women beneficiaries under the Conditional Cash Transfer (CCT) programme to help improve child and maternal health, women who were not eager to attend antenatal clinics in the past have started attending. The introduction of the incentive has helped a lot of women to register for antenatal, reducing maternal mortality. A 32 per cent increase in the turnout of women attending antenatal clinic was recorded, with about 500,000 women accessing the facilities. Today, Nigeria’s maternal mortality ration has decreased by 26 percent. Over 22,000 women have received antenatal care through SURE-P. Over 28, 000 deliveries have been handled in SURE-P Maternal and Child Health (MCH) facilities. Also, 400 health facilities are being renovated, SURE-P also injected funds into the Abuja-Kaduna Rail line and the Lagos-Ibadan line. These projects significantly are expected to improve the country’s infrastructure, and will also create millions of jobs for Nigerians. These remarkable achievements have not only been felt at the federal level, states have also taken advantage of the new injection of funds into critical infrastructure and social projects that would help improve the standard of living of their citizens.

**Dissecting the Challenges of Subsidy Re-investment and Empowerment Program (SURE-P)**

SURE-P was introduced in February 2012 and focuses on management and investment of federal government savings derived from proceeds accruing from the partial removal of the subsidy on petroleum products. The SURE-P is the flagship of recent efforts to provide job opportunities to graduates of tertiary institutions. It is more or less a whole range of activities and programmatic schemes, including the Graduate Internship Scheme (GIS), Community Services Scheme (CSS), Vocational Training Scheme (VTS), and Community Services, Women and Youth Empowerment (CSWYE), among others (NDE, 2007). In spite of all these laudable and self acclaimed achievement. The youth still remain poor and ravage in malnourish circumstances.

Analysis of youth unemployment by geographical/settlement location (rural and urban areas) indicates that youth unemployment is mostly in rural areas and rapidly growing: From 2010 to 2014, the share of unemployed youth in rural areas increased from 47.59 percent to 59.95 percent. The population of unemployed youth figure from gender perspectives is shown below

| Year | Percentage of Female Unemployed Youths | Percentage of Male Unemployed Youths |
|------|--|--------------------------------------|
| 2010 | 58.50                                  | 54.68                                |
| 2011 | 57.82                                  | 50.77                                |
| 2012 | 54.52                                  | 47.59                                |
| 2013 | 50.85                                  | 59.95                                |
| 2014 | 55.42                                  | 53.25                                |

**Source: National Bureau of Statistic**

Some statistics indicated that over 45percent of 100 million youth in Nigeria are unemployed, the situation is pathetic knowing that the country is blessed with abundant natural and human resources. In the same vein, knowing that Goodluck Jonathan’s administration invested huge amount of the money raised from SURE-P. But this indicated clearly that the SURE-P was woefully a failure in the area of graduate internships and youth empowerment in general. In addition, from 2010-2014, over half of unemployed youth did not have post-primary education. This particular group has consistently accounted for over 50 percent of all unemployed youth. However, graduates of tertiary institutions also seem to be badly hit by unemployment making up about 20 percent of youth unemployment and often remaining unemployed for about of five years after graduation (NISER, 2013).

On issues concerning roads renovation and construction, the House of Representatives were the first in 2014 to question the legitimacy of the work haven expressed readiness to investigate activities of the Ministry of Transport, the SURE-P, Nigerian Railway Cooperation (NRC), and all contractors handling rail projects rehabilitation from 2010 to 2014. The resolution to embark on the probe came after the House had endorsed a motion sponsored by Hon. Solomon Ahwinahwi entitled “Need to investigate the Federal Ministry of Transport and the Nigeria Railway Corporation on the award of contracts for rehabilitation of railway tracks, maintenance of bridges and procurement/rehabilitation of coaches and locomotives from 2010 – 2014 (Chukuma & Ugwuerrua, 2014).

Ahwinahwi in his lead debate had submitted that rail rehabilitation has made little progress despite the huge amount committed by government. The level of performance with respect to the 463km Port –



Harcourt – Markurdi rail track rehabilitation of the eastern line with the total sum of N19, 963, 752, 330 and out of which the NRC has paid N4, 017, 054, 841, 00, while SURE – P paid N5, 594, 021, 377 and only about 3km of ballast has been done with 400km left undone and the total money released so far was N9, 611, 076, 218. The Abuja – Kaduna rail project had \$841m as the project cost, out of which the China EXIM Bank provided a loan of \$500m with about 25 percent of the project completed when the entire project was envisaged to have been completed in 2014. According to him, the Lagos to Jebba track rehabilitation project was awarded at N12, 293. 390. 000 with the payments made so far at N11, 699, 999, 218 without any tangible work done (Olumide, 2011).

He added that the same also goes for Jebba to Kano track rehabilitation which had a contract sum of N12, 169. 237. 337 with payments made to the tune of N10, 337. 023. 111. He argued that the investigation is important because with the billions sunk to upgrade the railway transport system, there has been little or nothing to show for it as the locomotives and coaches running on the nation's tracks are still a relic of modern railway transport (Okorie, 2000).

However, the mandate from the then Nigerian President, according to the official website of SURE-P during the take off of the program with the committee under the chairmanship of Christopher Kolade, was to provide quality socio-economic development to the benefit of the citizens. The chairman on behalf of the committee promised Mr President that the job will be done without fear or favour.

According to SURE-P (2012) with the establishment of the program, one of their efforts was to collaborate with the private sector in solving the employment problem in the country. As a result of which the graduate internship scheme was introduced, where graduates were posted to various industries, where they will work for one year and will be on a monthly salary. This will make the beneficiaries possess adequate training on the job, thus, making themselves marketable and saleable and can even propel them into setting up their own businesses. It is expected that twenty five thousand graduates will benefit from the programme, involving seven thousand establishments nation-wide. However, the programs just like other previous ones, receives high degree of critics. In fact one of the first critics against it came from the county legislature describing it as a drain pipe on Nigeria's economy and a duplication of functions, the National Assembly was of the view that the programme is a mere waste of the financial resources of the country. They maintained that SURE-P has neither helped in reducing unemployment nor in provision of infrastructures in the country. The Legislators, while lambasting the program, called on SURE-P to improve and make necessary impact towards employing Nigerian youths. It was also observed by the National Assembly that these roads claimed to have been constructed or still being constructed by SURE-P were the same roads being constructed by the Federal Ministry of Works. One may begin to wonder how payments to these duplicated projects are made (SURE-P, 2012).

Another major challenge was on the issue of exclusion of physically challenged youths in SURE-P program. Affe (2013) while reacting to challenges facing the SURE-P stated that no fewer than 100 Persons with Disabilities (PWDs) drawn from different states in the country have expressed their desire to be fully integrated into the government Subsidy Re-investment and Empowerment Program. They made this demand in Calabar, Cross River State, when they converged on the state capital alongside youth groups, women groups and resource persons nationwide for a three-day Youth Empowerment and Employment Retreat 2013 Organized by SURE-P Chairman of the Enugu State chapter and Joint National Association of Persons with Disabilities, Mr. Samuel Obiefuna, who clearly confessed that exclusion from empowerment programs had been one of the major challenges facing PWDs. He, however, agreed that their invitation to the retreat organised by SURE-P appeared to have taken that defect into consideration. Obiefuna said before now, they had always claimed that PWDs were included in the programme, it was not true; this time around they knew that they needed to get input from us directly that was why we were involved. We have agreed that in all the state implementation committees of SURE-P, there must be someone with disability and that is why you see large numbers of PWDs (SURE-P, 2012).

Another pitfall accrued from SURE-P was the politicisation of the program, Affe (2013) while commenting on the challenges faced by SURE-P in empowering Nigerian youths when PWD converged in Calabar, Cross River State, made it clear that in some states right now, the program for employment have been politicized and politicians hijacked them. They took it over and are giving jobs to their own people. He emphasized that exclusion is the major challenge and barrier that confronts us in all parts of the country. But as we go back to our state we have been empowered to begin to ask questions and we will make effective use of the media in this regard. This will enable them incorporate our aspirations into the new SURE-P policy that will soon come out.

In another development, majority of Nigerians do not believe in the recruitment formula adopted by the organizers of the program, this is a very big challenge towards the success of the programme because of

the inability of the programme to be all-embracing. This has necessitated the belief by some Nigerians that the programme was designed only for the benefit of the ruling party and their cronies (Onyeje, 2014 cited in Abu, 2015). Looking at the 2014 budget proposal, the proposed specific expenses of n2bn for the federal ministry of information, public enlighten on sure-p is frivolous and make no economic sense considering that the ministry has a generous vote for sanitization in its main budget. Also the 1.2bn for the programme board and n500m for monitoring and evaluation are on the high side. There is a vote for a nebulous special presidential intervention in the sum of N12bn after the equally nebulous service wide votes. So Nigeria has become so database that budgetary projects can no longer be specifically named. It was so cleared at the end of the day that the president wants money for his fancies.

At the state level, the governments who control 54 percent vote are irresponsible and unaccountable to anyone. A clear case of mismanagement was so prevalent, not like the federal government who try to pretend to be transparent. The state hijacks the activities of of sure-p and only favours those close to them while huge amount of the money were diverted into their own personal pocket. the way sure-p fund was managed was not in tandem with promise we got at the beginning, the programs lack freedom of information, for instance, the 500 primary health center purportedly renovated and rehabilitated by the programme, the names and the address of the thousand who benefited from the conditional grant scheme and the public work programme, the exact roads that the federal road maintenance agency renovated and the programme money were never publish rather we only heard of it as fabricated speculation.

The Nigerian economy over the years has been programmed to revolve around the supply of ‘cheap’ petroleum products. An average household in Nigeria depends on subsidized by-products of crude oil such as petrol and kerosene for domestic and commercial use. This dependence is not helped either as public electricity supply from PHCN is epileptic. Almost every home and business is powered by generators fired by subsidized petrol. The few small scale businesses such as Hotels, Barbers, Welders, Hair dressers, Pepper sellers, Cool-room owners, Food sellers, Private and Government hospitals etc all rely on subsidized fuel. Transportation costs for instance have gone up and this will result in spiral effect on other sectors- all other businesses in fact revolve around the transport sector. It is very obvious that subsidy removal will worsen the country’s already inflation rate. In fact it will result in hyper inflation as prices of goods and services are bound to skyrocket beyond the reach of many. Even the Naira will not be spared, because it will further depreciate in value as much money will be chasing fewer goods. Creditors also lose during inflation because if they lend out money when there is no inflation and the prices are moderate or stable, the moment inflation sets in the value of that money to the creditor is lost (Louis, 2012). Finally the demerits can be outlined as follows:

1. There will be a drop in the standard of education
2. It will have a multiplier effect on various aspects of the people’s lives thereby making more people to drop from the near non-existent middle class
3. Public and private sector workers on low salaries will see their standard of living drop dramatically as they struggle to make ends meet.
4. Sharp increases in operating costs Micro and Small Enterprises, many of which rely on small electricity generators powered by petrol
5. Pressure from organized labour to increase the national minimum wage to between N50, 000 to N100, 000 per month
6. It may lead to social and industrial unrest as the cost of living in Nigeria pushes the average citizen in Nigeria to below the M46, 500 or less per annum that the average Nigerian lives on (GDP per head).
7. Unemployment will definitely rise as SMEs (accounting for more than 60% of employers in the Nigerian organized sector) find it more expensive to either hire or retain staff.

## **Conclusion**

Despite that the nation is among the top oil producers in the continent of Africa and richly endowed with vast human resource and solid minerals hence, indicators of poverty level in the nation give a different conclusion. Even though the Federal Government of Nigeria has made several commendable efforts aimed at the eradication of extreme poverty and hunger through its various initiatives, incidence of poverty in Nigeria is still as high as 70%; the effect is that poverty has been on the increase despite all efforts of the government.

Therefore, the possibility of Nigeria attaining the MDGs of eradication of extreme poverty is in doubt. Finally, the increasing concern expressed on the subject matter underlines the fact that evaluation of pro-

poor programs must go hand in hand with the formal policy evaluation, namely the evaluation of the policies' selection, design and implementation processes. What is the point of evaluating policies when they are never decided on and often very poorly implemented? The evaluation processes must give just as much weight to the logical design of 'good policies' as to the social and institutional conditions required to implement them in practice. The participatory and administrative processes conditioning any action count just as much as a sound definition of the action itself. Given the enormity of the economic development challenges and the relatively low index of capture, there is the challenge of how to set priorities, make maximum impacts and remain focused. Obviously, there will be demand and pressure to get into everything since literally everything needs to be done, given the country's initial conditions. This temptation must however be resisted.

### **Recommendations**

The Government of Nigeria needs help, to meet the challenge of initiating an inclusive rapid growth with social-structural transformation to strategize, prioritize, and to manage its own resources better. But such must be predicated on sound analysis and evaluation of the state of the economy. Finally, I find it necessary to make the following recommendations:

1. First and foremost government should if indeed possible bring back the fuel subsidies and open more rooms for importers and exporters of refinery business, but in a situation where it becomes difficult to bring back the fuel subsidies for now, then the following recommendations should be given maximum priority.
2. The Federal government should subsidize other sectors like the Transport, Agriculture, Housing, Education etc., this would add value to the lives of Nigerians. They can adopt the Lagos state model of Public – Private Partnership (PPP) initiative in the Transport sector.
3. Savings from the excess crude account should be used solely for federal government capital projects.
4. The government must come up with policies to compensate Nigerians, utilize the savings and explain how the inflation will be managed.
5. The government should work on the regulatory industry, where the rights of the citizens must be protected.
6. The government (President) should rebuild the people's trust in its leaders by: - cushioning the effects of the fuel subsidy removal, curbing the excesses of the three tiers of government, investigating and bringing to Law all those corrupt officials/economic saboteurs/cabal that squandered the fuel subsidy largesse.
7. Government should increase budgetary allocation to education, if indeed it wants to be among the first twenty economies in the world by 2020.
8. Managers of Oil Companies and Filling Stations should ensure that the principles of the concept of Total Quality Management (TQM) are practiced in their organizations as this will go a long way in curbing their embezzling tendencies.
9. The Economic and Financial Crimes Commission (EFCC) should always be at alert and make sure those responsible for the embezzling of the fuel subsidy money are brought to book. The EFCC should be allowed full access to relevant government information.
10. Finally, this work is here by recommended for further studies.

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