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EXAMINING THE RELATIONSHIP BETWEEN FUEL SUBSIDY REMOVAL AND PUBLIC SERVANTS' WELL-BEING IN TERTIARY INSTITUTIONS IN ANAMBRA STATE, NIGERIA

DR. ROSEMARY OGOMEGBUNAM ANAZODO
DEPARTMENT OF PUBLIC ADMINISTRATION
NNAMDI AZIKIWE UNIVERSITY, AWKA, ANAMBRA STATE
EMAIL ADDRESS: **ro.anazodo@unizik.edu.ng**

&

OGBU, UGONNA CHRIS COLLINS
DEPARTMENT OF PUBLIC ADMINISTRATION
FEDERAL POLYTECHNIC OKO
EMAIL: **ogbu.ugonna@federalpolyoko.edu.ng**
https://orcid.org/0009-0003-1447-7598

ABSTRACT
This study investigates fuel subsidy removal and public servants' well-being in tertiary institutions in Anambra state, Nigeria. The specific objectives of the study were to: determine the relationship between fuel subsidy removal and purchasing power of public servant in tertiary institutions in Anambra state; ascertain the relationship between fuel subsidy removal and standard of living of public servant in tertiary institutions in Anambra state; and to determine the effect of fuel subsidy removal on the cost of living of public servant in tertiary institutions in Anambra state. Three research questions and hypotheses guided the study.. The study was anchored Neoliberalism theory. Descriptive survey research design was adopted for the study. The population for the study consisted of the 11,442 staff of Nnamdi Azikiwe University, Awka, Federal Polytechnic, Oko, Chukwuemeka Odumegwu Ojukwu University, and Anambra State Polytechnic, Mgbakwu. The sample size of 386 respondents was determined using Taro Yamane. Multi-stage sampling technique was adopted in the study. Data for the study were collected through structured questionnaire. Data from the field were analyzed using Pearson Product Moment Correlation, and Simple Regression Analysis with the aid of Statistical Package for Social Sciences (SPSS) version 20. Findings of the study revealed that Fuel subsidy removal significantly and negatively relates with purchasing power of public servant in tertiary institutions in Anambra state; Fuel subsidy removal significantly and negatively relates to standard of living of public servant in tertiary institutions in Anambra state; and that Fuel subsidy removal has significantly and negatively affected the cost of living of public servant in tertiary institutions in Anambra state.Based on these findings, the following recommendations were made: there should be periodic salary reviews or adjustments for public servants to cope with the decreased purchasing power caused by the removal of fuel subsidies; Government at all levels should subside transportation for the populace by operating effective Mass transit schemes for the urban working population to mitigate these effects; there should be renovation of Nigerian refineries to reduce the cost of petroleum products.

Keywords: Subsid**y,** fuel subsidy removal, purchasing power, cost of living, standard of living

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INTRODUCTION

In what is generally considered as global efforts towards subsidy removal, a group of 20 advanced and emerging market economies advocated for phasing out of fossil subsidy in order to boost efficiency in the late 2000. Since then, countries like Ukraine, India and Morocco has developed and implemented its own indigenous reform on fuel subsidy removal regardless of its conflicting opinions. The removal of fuel subsidies is a contentious issue that has far-reaching implications on various sectors of the economy, including the lives and livelihoods of public servants. In Nigeria, like in many developing countries, fuel subsidy removal has been a subject of fervent debate due to its potential impact on the socioeconomic well-being of individuals, especially those working in the public sector. Ideally, fuel subsidy represents financial assistance which the government provides for the reduction of fuel cost for the consumers so as to keep fuel prices lower and make fuel more affordable to the general population (Akinnibi, 2023). According to the Nigerian Economic Summit Group (2023) the target of fuel subsidy in Nigeria is to reduce the fuel cost hence financial assistance is directly given to oil enterprises so as to lower the cost of fuel for the citizens.

Globally, there is discussion concerning fuel subsidies because of their enormous cost and impact on citizens' wellbeing and national economic health. Fuel subsidies have been implemented by many governments as a way to alleviate the financial burden on citizens and stimulate economic growth. (Masera et al., 2015) contends that these subsidies often benefit the wealthy more than the poor and may also lead to environmental degradation by encouraging excessive firewood consumption. Additionally, the high cost of fuel subsidies puts a strain on government budgets, diverting funds that could be used for other important social programs such as healthcare and education.

Fuel subsidies are implemented by governments in many developing countries with the aim of promoting economic growth and affordability of basic transportation and cooking fuels. However, subsidies place enormous strain on government budgets and can lead to market inefficiencies through overconsumption. The removal of fuel subsidies is often an economic reform suggested by international organizations, but the impacts are complex. Thus, there is a need to understand how removal of subsidies affects aspects of socio-economic development including consumer welfare, income distribution, poverty levels, inflation, political stability and sustainability.

According to Ozili and Obiora (2023), fuel subsidies were initially implemented in Nigeria in the 1970s in reaction to the 1973 oil price shock. Fuel subsidies have been in effect since then. The government unexpectedly ended fuel subsidies in 2012. This sparked large protests, with the goal of forcing the government to return the fuel subsidy. Following the enormous protests, the government resumed fuel subsidies in 2012. Fuel subsidy payments in Nigeria have increased dramatically since then. Fuel subsidies reached $4 trillion (US$6.088 billion) in 2022, accounting for 23 per cent of the national budget of 17.126 trillion (US$25.87 billion) (CBN 2023). As a result, Nigeria's fuel subsidy could no longer be sustained in 2023, and the government stated that it would be phased off in June 2023 (Ozili and Obiora, 2023).

Subsidy removal without correspondent economic benefit can lead to increase in fuel prices and subsequent rise in the cost of living. This predicament brings a lot of concern as raised by Ude (2023), emphasizing that while subsidy elimination might hold long-term benefits, it can strain the financial resources of households. Akinnibi (2023) asserts that removal of fuel subsidy implies bringing to an end, the financial assistance which government gives for fuel and such leads to the rising of prices to market levels. With the removal of fuel subsidies, the

public servants may experience a decrease in their purchasing power, as the increase in transportation costs could inflate prices of goods and services.

Public servants in Nigeria play a crucial role in the functioning of the government and the delivery of public services to citizens. Their socioeconomic well-being is therefore of paramount importance not only for their individual livelihoods but also for the overall efficiency and effectiveness of public service delivery. The removal of fuel subsidies can have direct and indirect effects on various aspects of their lives, from increased transport costs to changes in purchasing power and overall standard of living. Therefore, this study examine the effect of fuel subsidy removal on public servants' well-being in tertiary institutions in Anambra state, Nigeria

Statement of the Problem

Over the years, the subsidy policy has been a controversial issue in Nigeria – an oil producing country that paradoxically relies on imported PMS. Indeed, Nigeria has a long history of fuel subsidies dating back to the 1970s' oil boom, when the Federal Government introduced subsidies on key commodities such as petrol, kerosene, and diesel to cushion the impact of price fluctuations on its citizens and residents. While many stakeholders in this debate argue that the PMS subsidies are the last hope for the common man to benefit from the "national cake," the reality is that the subsidies have been a tremendous drain on the country's resources and a source of corruption and government inefficiency. NNPC 2023 report indicates that the PMS fuel subsidies have really benefited smugglers, neighbouring countries, rent-seekers and the rich, as opposed to the poor. Furthermore, if Nigerians – rich, middle-class, or poor alike – wish to see accelerated levels of socio-economic development, the expensive and unaffordable PMS subsidy must go. The removal of fuel subsidies was finally decided by President Bola Ahmed Tinubu on 29 May 2023 during his inaugural address to the nation when he stated that "fuel subsidy is gone. The decision to phase out fuel subsidy in June 2023 was met with mixed reactions from the public. Asare et al (2020 argued that it was a necessary step to reduce government spending and promote economic growth, while Umeji and Eleanya (2021) expressed concerns about the potential impact on the cost of living for ordinary citizens. Nonetheless, the government emphasized the need for fiscal responsibility and stated that alternative measures would be put in place to mitigate any adverse effects. This marked the beginning of a massive hike in the prices of PMS and other related products in Nigeria.

Despite the various objections and critiques on the move by the president, he was not deterred at the very least and the decision was implemented. Sadly, the removal of fuel subsidies was predicted to have a ripple effect on not just the prices of crude oil-related products but also on other goods in general and the overall well-being of the people of Nigeria and Anambra state in particular.

Research Questions

1. To what extent does fuel subsidy removal relate to purchasing power of public servant in tertiary institutions in Anambra state?
2. To what extent does fuel subsidy removal relate to standard of living of public servant in tertiary institutions in Anambra state?
3. To what extent has fuel subsidy removal affected the cost of living of public servant in tertiary institutions in Anambra state?

Objective of the Study

The broad objective of this study was to investigate the relationship between fuel subsidy removal and public servants' well-being in tertiary institutions in Anambra state, Nigeria. The specific objectives were to:

1. Determine the extent of relationship between fuel subsidy removal and purchasing power of public servant in tertiary institutions in Anambra state
2. Ascertain the extent of relationship between fuel subsidy removal and standard of living of public servant in tertiary institutions in Anambra state
3. Determine the extent which fuel subsidy removal has affected cost of living of public servant in tertiary institutions in Anambra state

Research Hypotheses

1. **H0:** Fuel subsidy removal does not significantly relate to purchasing power of public servant in tertiary institutions in Anambra state
2. **H0:** Fuel subsidy removal does not significantly relate to standard of living of public servant in tertiary institutions in Anambra state
3. **H0:** Fuel subsidy removal has not significantly affected the cost of living of public servant in tertiary institutions in Anambra state.

Scope of the Study

The study covered the effect of fuel subsidy removal on public servants' well-being in tertiary institutions in Anambra state, Nigeria. The study was conducted among four tertiary institutions in Anambra. The study focused on determining how subsidy removal relates with purchasing power, standard of living, and cost of living of public servant in tertiary institutions in Anambra state. The institutions studied are: Nnamdi Azikiwe University, Awka, Chukwuemeka Odumegwu Ojukwu University, Igbariam, Federal Polytechnic, Oko and Anambra State Polytechnic, Mgbakwu. The study covered the period from 2012 to 2024 when Nigeria faced the reality of withdrawal of subsidy by President Bola Ahmed Tinubu.

REVIEW OF RELATED LITERATURE

Subsidies and Fuel Subsidy

Subsidies are financial or non-financial incentives provided by the government or other organizations to support specific industries, sectors, or individuals (Scott and Kvilhaug, 2022). They are intended to alleviate economic burdens, promote growth, and address market failures. According to IMF et al. (2022), subsidies can take various forms, including direct government expenditures, equity infusions, tax incentives, soft loans, government provision of goods and services and procurement on favorable terms, and price supports such as price reduction.

The Organization for Economic Co-operation and Development (OECD) defines a subsidy as a measure implemented by the government to provide producers or consumers with an advantage so that they can increase their revenue or decrease their expenses. Subsidies can take the form of tax breaks, grants, or other financial assistance. According to Sowa and Edpri in Suleiman, Mohammed and Ahmed (2024), subsidies are policies that are enacted by the government in order to keep prices for producers or consumers at a level that is either higher or lower than the market. These actions could be grants, tax breaks, exemptions, or price limits. Subsidies are government programs that help make purchasing goods and services available and affordable to people who are less fortunate (Victor, 2009).

The government often subsidizes fuel so that the high prices of fuel do not create any burden on the producers or the consumers. Fuel subsidy is a government discount on the market price of fossil fuel to make consumers pay less than the prevailing market price of fuel (Ovaga and Okechukwu, 2022). When subsidies are in place, consumers would pay below the market price per litre of the petroleum product. A fuel subsidy is an aid the government provides that makes the commodity available at a lesser cost to consumers. The subsidizing is done in Nigeria to make the product affordable and accessible and to make life easy for the citizens. Government resources are used to pay for the differences, sustain the welfare of the citizens, and bridge the gap between private costs and societal benefits. Fuel subsidy has been in place in Nigeria since the 1970s; the Nigerian government has since been augmenting the differences in the importation cost of Premium Motor Spirit (PMS) and the cost at which customers purchase the commodity. The benefit of a subsidy is that it lowers the cost of products and living costs. However, it financially burdens the government (Adegoke, 2023).

Fuel Subsidy Removal

The issue of fuel subsidy removal in Nigeria has been a contentious and complex subject, deeply intertwined with the country's economic, social, and political landscape. However, the removal of these subsidies has been a recurring theme in Nigeria's economic reform discussions, driven by factors such as fiscal sustainability, global oil price fluctuations, and the need to redirect resources towards other developmental priorities. As Nigeria's population grew and demand for fuel increased, the cost of fuel subsidies began to strain the government's finances. The subsidies created a situation where the government was spending substantial amounts to keep fuel prices low, resulting in fiscal imbalances and diverting resources from critical sectors such as healthcare, education, and infrastructure.

Fuel subsidy removal implies the deliberate action by the government to withdraw all forms of reductions and leverages on the price of crude oil or its products (Oladeji and Akinlabi, 2022). One of the main benefits of subsidy removal is the potential for cost savings for the government, which can be redirected towards other development projects (Oluwabukola, 2023). Public analysts and government officials who have supported the removal of fuel subsidies have always promoted this narrative. The money saved from subsidies can be used in other critical sectors such as healthcare, education, and targeted infrastructure development. Additionally, subsidy removal can promote competition in the petroleum sector, increasing efficiency and better service delivery (Civic Keypoint, 2023). With the removal of subsidies, new investment possibilities in the upstream, midstream, or downstream sectors are higher, with local and international investors likely to invest their resources. It will undoubtedly create employment and develop the local community where such investment occurs. Furthermore, the management and implementation of subsidy policies can be plagued by corruption and inefficiencies, leading to the misallocation of resources and the enrichment of a few individuals at the expense of the general public (Ray, 2023). This highlights the need for effective governance and transparency in the management of subsidy policies.

Subsidy Removal and Cost of Living

The removal of fuel subsidies directly impacts the cost of living, affecting academic and non-academic staff's financial stability and well-being. The increased costs of transportation, utilities, and other essentials can lead to financial strain, particularly for academic staff in developing countries, where salaries may already be modest (Idris et al, 2024). Financial stress is a significant contributor to declining well-being, as it often leads to anxiety, depression, and burnout (Ogunode and Aregbesola, 2023). For academic professionals, these

factors directly influence their capacity to perform their roles effectively, as mental and emotional well-being is closely tied to professional productivity.

Lower job satisfaction and well-being have also been linked to lower levels of innovation, research output, and teaching quality (Mohammed et al, 2020).The removal of fuel subsidies not only affects the productivity of the academic staff but also has a direct impact on their professional engagement and financial well-being. Engaged employees are generally more productive, committed, and motivated. However, when financial pressure mounts, individuals may become disengaged from their work (Ani et al, 2021).

Fuel subsidy removal and the overall well-being of people

The impact of fuel subsidy removal on the overall well-being of people extends beyond economic considerations, influencing various facets of daily life and societal dynamics. The immediate and tangible effect of fuel subsidy removal is the financial strain it places on individuals and households (Sampedro, Arto and González-Eguino, 2017). As transportation and goods become more expensive due to increased fuel prices, public servants often experience a reduction in their purchasing power. This financial strain can disrupt budgeting for essential needs and lead to challenges in meeting daily expenses. The rise in the prices of goods and services, influenced by increased transportation costs, can impact the accessibility of basic necessities (Harring*et al.,* 2023). Individuals may find it more difficult to afford essential items such as food, healthcare, and education. This has direct implications for the overall well-being of residents, particularly those with lower incomes. The overall quality of life in Nigeria is influenced by the affordability and accessibility of key services.

Theoretical Framework

This study is anchored on Neoliberalism theory. Neoliberalism is an economic and political ideology that advocates for free market capitalism, deregulation of business, trade liberalization, privatization, reduction of government spending, and individual responsibility. The theory is often associated with proponents such as Friedrich Hayek, Milton Friedman, and Margaret Thatcher. Hayek, an Austrian economist, is one of the key proponents of neoliberalism. He argued that central planning and government intervention in the economy inevitably lead to inefficiencies and loss of individual freedom. Hayek believed that free markets are the most efficient way to allocate resources and that government intervention distorts the price mechanism.

Neoliberalism theory provides valuable insights for studying the effect of fuel subsidy removal on public servants' well-being in tertiary institutions in Anambra state, Nigeria. Neoliberalism emphasizes the importance of market forces and free-market principles. In the context of fuel subsidy removal, one could examine how the removal of subsidies affects the cost of living for public servants in Anambra state, potentially leading to changes in their well-being. Neoliberalism advocates for limited government intervention in the economy. Neoliberalism places importance on individual responsibility and self-reliance. By examining how public servants in Anambra State adjust to the removal of fuel subsidies, the study can provide insights into how individuals navigate and take responsibility for managing their economic well-being in a less subsidized environment. Neoliberalism advocates for a limited role of the state in economic affairs. Analyzing the effects of fuel subsidy removal on public servants' well-being can shed light on how government policies, such as subsidy removal, influence the relationship between the state and individuals in the provision of public services in tertiary institutions.

METHODOLOGY

This study adopted a descriptive survey research design which is a research process that involves collecting data in order to test hypotheses or answer questions concerning the current status of the subject in the study. This approach was adopted because the researcher intends to examine the relationship between Fuel subsidy removal and public servants' well-being in tertiary institutions in Anambra State, Nigeria. The population of this study consisted of 11,442 staff of the 4 tertiary institutions randomly selected for the study. The sample size of 386 was determined using Taro Yamane (1964) statistical approach. A multistage sampling technique was employed in the study. This was because samples were selected in stages using a combination of different techniques. In the first stage, the purposive sampling technique was used in selecting four tertiary institutions in Anambra State, Nigeria. At the second stage, a proportionate stratified sampling procedure was employed to select respondents such that each employee of the four selected tertiary institutions formed a stratum. Finally, simple random sampling (balloting) was done to select respondents from each stratum based on their proportion in the parent population. This was to ensure that, every member of the population was given an equal and independent chance of representing the population. The instrument for data collection was a structured questionnaire. The questionnaire was designed using 5 points Likert scale to elicit information that borders on the objectives of the study. The instrument was validated by three experts from education management and policy. A reliability coefficient of 0.96 was obtained for instrument using Spearman Rank Order Correlation Coefficient through the test- retest method. The research questions were answered using mean, while the null hypotheses were tested at 0.05 level of significance using the Pearson Product Moment Correlation, and Simple Regression Analysis with the aid of Statistical Package for Social Sciences (SPSS) version 20. Tables were constructed in respect of the demands of the respective research variables/questions, hypotheses and a criterion mean of 3.0.

RESULTS

Descriptive Analysis of Fuel Subsidy Removal

Table 1: Descriptive analysis of respondents' responses on Fuel Subsidy Removal

S/N	Items on Fuel Subsidy Removal	OPTIONS							
		SA	A	U	D	SD	∑ fx	X	Decision
1	Fuel subsidy removal has cause increase on price of petrol	180	126	30	5	5	1509	4.36	Agreed
2	Transportation price has increase as a result of recent fuel subsidy removal	200	130	10	6		1556	4.50	Agreed
3	Fuel subsidy removal has cause increase on price of goods and services	188	136	12	5	5	1535	4.44	Agreed
4	Fuel subsidy removal has reduced the scarcity of fuel	0	20	5	180	141	596	1.72	Disagreed
5	The benefits of removing fuel subsidy will outweigh the short-term challenges	10	15		180	141	611	1.77	Disagreed

	faced by the citizens.								
	Grand Mean							**3.36**	**Agreed**

Source: field survey 2024

Table 1 analyses the responses of the respondents on removal of fuel subsidy. The respondents' average thoughts on removal of fuel subsidy and its effects on public servants in public tertiary institutions in Anambra State are displayed in the above table, the information in the table demonstrated that the respondents agreed with 3 questions and disagreed on 2. The grand mean of 3.36 indicates a positive reaction from the respondents on the removal of fuel subsidy. However, the respondents disagreed that Fuel subsidy removal has reduced the scarcity of fuel; and the benefits of removing fuel subsidy will outweigh the short-term challenges faced by the citizens.

Socio-Demographic Characteristics of Respondents

Table 1.1

S/N	Characteristics	Category	Frequency	Percentage (%)
1.	Gender	Male Female **Total**	206 140 **346**	59.5 40.5 **100.0**
2.	Age (Years)	18-34 25-34 35-44 45-54 55+ **Total**	10 30 160 110 36 **346**	2.9 8.7 46.2 31.8 10.4 **100.0**
3.	Education	Primary Secondary Tertiary **Total**	5 10 331 **346**	1,4 2.9 95.7 **100.0**
4.	Employment	Employed Unemployed Student Retired **Total**	283 23 32 08 **346**	81.8 6.6 9.2 2.3 **100.0**
5.	Income Level	Low Middle High **Total**	83 220 43 **346**	24.0 63.6 12.4 **100.0**

Source: Field Survey 2024

Descriptive Analysis of Purchasing Power

Table 2: Descriptive analysis of respondents' responses on Purchasing Power

S/N	Items on Purchasing Power	OPTIONS							
		SA	**A**	**U**	**D**	**SD**	**∑ fx**	**X**	**Decision**
1	The removal of fuel subsidy has significantly increased my monthly transportation costs.	180	126	30	5	5	1509	4.36	Agreed
2	Since the fuel subsidy removal, my overall expenses have noticeably increased.	200	130	10	6	-	1556	4.50	Agreed
3	The reduction in my purchasing power due to increased transportation costs has made me cut down on essential expenses.	188	136	12	5	5	1535	4.44	Agreed
4	The increase in transportation costs has negatively affected my punctuality and attendance at work.	17	160	6	-	5	1538	4.45	Agreed
5	The removal of fuel subsidy has had a significant negative effect on my overall well-being.	200	140	-	6	-	1572	4.54	Agreed
	Grand Mean							**4.46**	**Agreed**

Source: field survey 2024

The respondents' average judgments on removal of fuel subsidy and Purchasing Power of public servants are displayed in Table 2, the findings demonstrated that the respondents' responses to the research variable were positive. The respondents agreed that removal of fuel subsidy has significantly increased their monthly transportation costs; and since the fuel subsidy removal, their overall expenses have noticeably increased. They also agreed reduction in purchasing power due to increased transportation costs has made them cut down on essential expenses; the increase in transportation costs has negatively affected their punctuality and attendance at work; and that the removal of fuel subsidy has had a significant negative effect on their overall well-being.

Descriptive Analysis of Standard of Living

Table 3: Descriptive analysis of respondents' responses on Standard of Living

S/N	Items on Standard of Living	OPTIONS							
		SA	**A**	**U**	**D**	**SD**	**∑ fx**	**X**	**Decision**
1	The removal of fuel subsidy has led to a decrease in my disposable income, affecting	184	132	20	5	5	1523	4.40	Agreed

	my ability to meet basic needs.								
2	Since the fuel subsidy removal, I have had to make sacrifices in terms of lifestyle or quality of life.	190	140	10	6	-	1552	4.48	Agreed
3	The increase in transportation costs resulting from fuel subsidy removal has negatively affected my overall financial stability.	200	140	6	-	-	1578	4.56	Agreed
4	The removal of fuel subsidy has affected my ability to save for the future or unexpected expenses.	180	150	16	-	-	1548	4.47	Agreed
5	The removal of fuel subsidy has made it challenging for me to maintain my standard of living within my current income level.	160	166	20	-	-	1524	4.40	Agreed
	Grand Mean							**4.462**	**Agreed**

Source: Field Survey 2024

The focus of Table 4.4 above is on standard of living of public servants. Data from table 4.4 shows that all the listed items showed a mean score of 4.40 and above. Hence the respondents agreed that, the removal of fuel subsidy has led to a decrease in the disposable income, affecting their ability to meet basic needs; Since the fuel subsidy removal, they have had to make sacrifices in terms of lifestyle or quality of life; they also agreed that the increase in transportation costs resulting from fuel subsidy removal has negatively affected the overall financial stability; the removal of fuel subsidy has affected the ability to save for the future or unexpected expenses. The respondents also agreed that removal of fuel subsidy has made it challenging for them to maintain the standard of living within their current income level.

Descriptive Analysis of Cost of Living

Table 4: Descriptive analysis of respondents' responses on Cost of Living

S/N	**Items on Cost of Living**	**OPTIONS**							
		SA	**A**	**U**	**D**	**SD**	**∑ fx**	**X**	**Decision**
1	The removal of fuel subsidy has significantly increased my monthly expenses.	100	210	20	-	16	1416	4.09	Agreed
2	The removal of fuel subsidy has led to a noticeable rise in the cost of essential goods and services that I regularly use.	150	170	10	10	6	1486	4.29	Agreed
3	The removal of fuel subsidy has significantly increased the cost of living for public	135	150	36	10	15	1418	4.10	Agreed

	servants in tertiary institutions in Anambra State								
4	The removal of fuel subsidy has made it challenging for me to manage my monthly expenses.	146	152	24	14	10	1448	4.18	Agreed
5	The rise in fuel prices due to the subsidy removal has directly influenced the overall cost of living for me.	160	138	28	12	8	1468	4.24	Agreed
	Grand Mean							**4.18**	**Agreed**

Source: Field Survey 2024

Table 4 focuses on the removal of fuel subsidy and Cost of Living of the public servants. Data from table 4 shows that all the listed items showed a mean score above 3.0, while the Grand mean score was 4.18. This revealed that removal of fuel subsidy has significantly increased the participants' monthly expenses; the removal of fuel subsidy has led to a noticeable rise in the cost of essential goods and services; it has also increased the cost of living for public servants. The respondents also agreed that the removal of fuel subsidy has made it challenging them to manage the monthly expenses, and the rise in fuel prices due to the subsidy removal has directly influenced the overall cost of living.

Test of Hypotheses

This section focuses on the test of three hypotheses formulated for the study. The hypotheses were tested using Pearson Product Moment Correlation, and Simple Regression Analysis with the aid of Statistical Package for Social Sciences (SPSS) version 20.

Test of Hypothesis One

Ho: Fuel subsidy removal does not significantly relate to Purchasing power of public servant in tertiary institutions in Anambra state

Table 5: Pearson Correlation for Hypothesis One

Correlations[a]

		Fuel Subsidy Removal	Purchasing Power
Fuel Subsidy Removal	Pearson Correlation	1	-.672**
	Sig. (2-tailed)		.028
	N	346	346
Purchasing Power	Pearson Correlation	.-672**	1
	Sig. (2-tailed)	.028	
	N	346	346

*. Correlation is significant at the 0.05 level (2-tailed).

a. Listwise N=346

Source: Researcher's Computation (2024) Using SPSS 20

The result of the correlation coefficient for hypothesis one indicates that the Pearson Product Moment Correlation Coefficient is -0.672 showing that there is a negative relationship between Fuel subsidy removal and Purchasing power of public servant in tertiary institutions in Anambra state.

Decision Rule: From the computation above, the probability value at 0.026 is less than 0.05 significant level. Therefore, we reject the null hypothesis and accept the alternative hypothesis, and conclude that Fuel subsidy removal significantly and negatively relates with purchasing power of public servant in tertiary institutions in Anambra state.

4.2.2 Test of Hypothesis Two

Ho: Fuel subsidy removal does not significantly relate to standard of living of public servant in tertiary institutions in Anambra state

Table 6 Test of Hypothesis Two

Correlations

		Fuel Subsidy Removal	Standard of Living
Fuel Subsidy Removal	Pearson Correlation	1	-.512
	Sig. (2-tailed)		.024
	N	346	346
Standard of Living	Pearson Correlation	.512	1
	Sig. (2-tailed)	.024	
	N	346	346

*. Correlation is significant at the 0.05 level (2-tailed).

a. Listwise N=346

The result of the correlation coefficient for hypothesis three indicates that the Pearson Product Moment Correlation Coefficient is -0.512 showing the negative relationship between Fuel Subsidy and standard of living of the public servants.

Decision Rule: From the computation above, the probability value at 0.024 is less than 0.05 significant level. Therefore, we reject the null hypothesis and accept the alternate hypothesis, and conclude that Fuel subsidy removal significantly and negatively relates to standard of living of public servant in tertiary institutions in Anambra state.

4.2.3 Test of Hypothesis Three

H0: Fuel subsidy removal has not significantly affected the cost of living of public servant in

Table 7: Test of Hypothesis Three

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.337[a]	.214	.323	38.645

a. Predictors: (Constant), Fuel Subsidy Removal

Source: Field Data, 2024

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4991.102	1	4991.102	-3.342	.004[b]
	Residual	38829.898	26	1493.458		
	Total	43821.000	27			

a. Dependent Variable: Cost of Living
b. Predictors: (Constant), Fuel Subsidy Removal
Source: Field Data, 2024

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	35.018	13.391		6.349	.000
	Fuel Subsidy Removal	.618	.174	-.337	-1.828	.004

a. Dependent Variable: Cost of Living
Source: Field Data, 2024

The result of the linear regression for hypothesis two indicates that the Linear Regression is -3.32 showing that Fuel subsidy removal has negative effect on the cost of living. Also the result shows that the probability value of (0.04) is less than the alpha value (0.05) implying that the null hypothesis which stated that "Fuel subsidy removal has not significantly affected the cost of living of public servant in tertiary institutions in Anambra state" is rejected and conclude that Fuel subsidy removal has significantly and negatively affected the cost of living of public servant in tertiary institutions in Anambra state.

DISCUSSION OF RESULTS

The result of the tested hypotheses indicates that fuel subsidy removal has significant negative relationship with public servant wellbeing in tertiary institutions in Anambra state. Three hypotheses were tested in the study. The first hypothesis was tested in table 4.6 using Pearson Product Moment Correlation. Findings show that Fuel subsidy removal significantly and negatively relates with Purchasing power of public servant in tertiary institutions in Anambra state. This is as a result of increased in transportation costs, and increased on price of goods and services. This finding aligns with Anijah (2021) whose study revealed that fuel subsidy removal has led to increased financial strain, impacting staff well-being and productivity. Increased commuting costs and financial pressures have negatively affected staff morale, motivation, and professional engagement.

The second hypothesis was tested using Pearson Product Moment Correlation in table 4.7. Findings showed that Fuel subsidy removal significantly and negatively relates to standard of living of public servant in tertiary institutions in Anambra state. This is as a result of decreased in disposable income caused by the removal of fuel subsidy, and increased in transportation cost. This finding aligns with Agu, Ekwutosi and Augustine (2018), who noted that here is a significant negative relationship between subsidy removal and Standard of living ($r = .816$, $P < .05$). Subsidy removal negatively promotes poverty ($r = 0.758$; $F = 408.373$; $t = 20.208$; $p < 0.05$).

Finally, the findings from the test of third hypothesis in table 4.8 showed that Fuel subsidy removal has significantly and negatively affected the cost of living of public servant in tertiary institutions in Anambra state. This finding aligns with Suleiman, Mohammed and Ahmed (2024) who found that petroleum subsidies have a negative and significant effect on consumption patterns, the cost of living, savings and investment. The study is also in agreement with the research findings of Abu, Mohammed, Muhammad and Ahmed (2024) who found that, fuel subsidy removal in Nigerian have affected citizens cost of living, income generation, employment level and security of lives and properties of people of Chanchaga Local Government Area of Niger State.

Conclusion

Based on the findings discussed, it is evident that the Fuel subsidy removal has significant negative effect on public servants well-being. The removal of fuel subsidies in Nigeria has had a significant negative effect on the well-being of public servants in tertiary institutions in Anambra State, Nigeria. The increased cost of living resulting from the subsidy removal has directly affected the purchasing power and overall standard of living of public servants in these institutions. Public servants, particularly those in lower income brackets, have faced financial challenges due to the rising fuel costs, thereby placing a strain on their budgets and negatively impacting their quality of life. It is essential to address these issues promptly to prevent further financial hardship among public servants and ensure their well-being is safeguarded.

Recommendations

Based on the findings of this study, the following recommendations were given as follows:

1. There should be periodic salary reviews or adjustments for public servants to cope with the decreased purchasing power caused by the removal of fuel subsidies.

2. The government at all levels should subside transportation for the populace by operating effective Mass transit schemes for the urban working population to mitigate these effects,

3. There should be renovation of Nigerian refineries to reduce the cost of petroleum products

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