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FUEL SUBSIDY REMOVAL AND SOCIO-ECONOMIC DEVELOPMENT IN NIGERIA: A STUDY OF LAPAI LOCAL GOVERNMENT AREA OF NIGER STATE

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Abstract
Fuel subsidy has been at the front burner of Nigeria's political and economic discourse in recent times. This is unsurprising as oil has occupied a central position in the country's fiscal outlook for decades. Subsidy which was originally created to help the masses came under heavy attack in the last ten years as the pressure on the government to remove the policy gained traction. NEITI report showed that fuel subsidies gulped N316.7bn in 2015; N99bn in 2016; N141.63bn in 2017; N722.3bn in 2018; N578.07bn in 2019; and N134bn in 2020. According to the NNPC, petrol subsidy gulped N2.565tn between January and August 2022. There have been arguments and counter-arguments against the removal of this policy. The protagonists argue that continuing the policy is a fiscal time-bomb and is unsustainable while antagonists question the narrative by pointing at contradictions of the corruption of the political class. This study interrogates the politics of fuel subsidy removal with the aim of analyzing its impact on the socioeconomic development of the country with specific focus on inflation and poverty level. The study benchmarks its focus on the situation in Lapai Local Government Area of Niger State. Extant literature showed that existing studies paid scant attention to eliciting data from the people directly affected by the policy. This study which adopted the neo-colonial theory as its theoretical framework, argued that the removal of fuel subsidy was hastily done to respond to the whims dictated by the Bretton Woods institutions, notably the IMF and the World Bank. Primary and secondary data were used and simple descriptive statistics was also adopted as methods of data analysis. After conducting a survey of respondents residing in Lapai local government area, the study found that the removal of fuel subsidy has exacerbated inflation and worsened poverty levels in Lapai local government area, and consequently widened the trust gap between the citizens and the government. The study recommends that the government must fix the menace of corruption in the country's subsidy regime and make efforts to manage this policy before it destroys the fabrics of the Nigerian economy.
Keywords: Fuel Subsidy, Inflation, Neocolonialism, Poverty, Socioeconomic development,

Introduction

Petroleum as a resource has long been the cornerstone of Nigeria's multifaceted policies encompassing socio-economic development, education, foreign relations, and national defense. For those even remotely familiar with the intricate landscape of Nigerian politics, it is evident that oil resources occupy a central role in the nation's power dynamics. The quest for political supremacy invariably revolves around the control of these oil resources, often linked to the aspiration of enhancing the prospects of one's ethnic group through developmental avenues. In

the Nigerian context, politics and oil are inextricably intertwined, forming the very essence of the nation's identity.

Indeed, it is virtually impossible to divorce politics in Nigeria from the omnipresent influence of oil. The dreams, hopes, and aspirations of both the nation and its individuals are intricately woven around the abundant oil reserves that lie beneath its soil. Nigeria proudly holds the title of being the largest oil producer in Africa and ranks as the sixth-largest oil producer, globally. The economic might of the country is substantially derived from its vast oil and gas wealth, contributing a staggering 99% of government revenues and accounting for 38.8% of the Gross Domestic Product (GDP), as reported by the Federal Government of Nigeria in 2010. Over the past half-century since the discovery of oil in Nigeria, this lucrative resource has generated billions of dollars in revenue.

However, despite this enormous wealth, akin to many developing nations, Nigeria has struggled to translate its oil revenue into improved living conditions for its populace. Regrettably, inefficiencies, corruption, the abuse of national monopolistic powers, mismanagement, rampant smuggling, bureaucratic bottlenecks, and excessive subsidization have led to the virtual collapse of the supply chain for refined crude oil products within the country, as pointed out by (Ibanga in 2011 and Balouga in 2012).

The pricing of petroleum products has perennially been a contentious issue in Nigeria, demanding astute handling and tact. The impact of any increase in petroleum product prices is acutely felt by the people, owing to their low-income levels and inadequate infrastructural development, especially in transportation, communication systems, and electric power supply. For the past five decades, Nigeria's economic policies, growth trajectory, and related activities have been profoundly influenced by the oil industry. To state that the Nigerian economy relies heavily on the oil industry would be an understatement; it is nothing short of the lifeblood that sustains the nation (Adelabu, 2012). Despite Nigeria's status as Africa's largest economy and the world's sixth-largest oil producer, successive governments have struggled to harness the country's oil wealth for substantial poverty alleviation and the provision of essential social and economic services, as underscored by Ering and Akpan (2012)

The challenge is that with fuel subsidy, once a policy of the Federal Government designed to alleviate economic hardships for the Nigerian populace, has been a subject of persistent debate. The Federal government has consistently advocated for the removal of fuel subsidy, a contentious issue that has persisted across administrations, from the era of Goodluck Jonathan to the current regime of President Bola Tinubu. The question of fuel subsidy removal has been a contentious one in Nigeria for several decades, with various governments' attempts to implement reforms, being met with vehement public opposition. Such attempts frequently triggered mass protests by citizens and civil society groups who perceive such policies as detrimental to the welfare of the masses. Paradoxically, it appears that the longer the subsidy persisted, the more entrenched the resistance to its reduction has become. This paper, therefore, critically examines the impact of fuel subsidy in Nigeria on the socio-economic development of the country using Lapai as a point of focus.

Statement of Problem

The enormity of the issue of fuel subsidy becomes evident when examined against the back drop of the staggering financial resources allocated to fuel subsidy within a relatively short period. Between 2006 and 2009, an astounding sum of approximately 2.5 trillion naira was disbursed exclusively for fuel subsidy (Movement for Economic Emancipation, 2010:10). The fiscal year of 2010 witnessed a budget allocation of 600 billion naira designated for the same purpose (Movement for Economic Emancipation, 2010:10). By the year 2011, both the Presidency and the National Assembly granted t approvals for an allocation of 240 billion naira

towards oil subsidy payment in the Appropriation Act (Folasade Koyi, 2011:6). Alarming as it may sound, as of October 2011, the subsidy mechanism had already consumed a staggering 1.5 trillion naira, revealing a disconcerting trend of extra-budgetary expenditure amounting to 1.2 trillion naira.

In response to the disquieting scenario, the then Senate President, David Mark, publicly placed the blame on what he referred to as "a cabal" within the petroleum industry for the gross mismanagement of oil subsidy (Folasade-Koyi: 2011). This underscores the fact that the challenges stemming from the mismanagement of oil wealth extend beyond the mere withdrawal of oil subsidy; they fundamentally pertain to how effectively these oil funds are administered. The ambiguity surrounding the efficient utilization of oil funds has left a significant portion of the Nigerian population understandably skeptical about the removal of the petroleum fuel subsidy. To address the irregularities associated with the mismanagement of oil subsidy, the federal government embarked on a course of action after extensive consultations with various stakeholders. This culminated in the declaration of the removal of fuel subsidy, a pivotal decision made on January 1, 2012. However, it is essential to recognize that in some quarters, the elimination of petroleum subsidy is deemed unnecessary, particularly if the country's refineries were operating at full capacity. The escalation in government expenditures on subsidies can be attributed to the importation of refined crude oil, a resource that Nigeria possesses in abundance. This practice is further exacerbated by varying degrees of corruption and the prevalent over-invoicing of imports by petroleum importers, all aimed at alleviating the challenges associated with the volatile international energy market.

While it is true that several recent studies have sought to assess the impact of petroleum subsidy on the Nigerian economy (Iba, 2009; Maduabuchi, 2011; Oladesu, et al., 2012; Olukayode and Kujenya, 2012), a review of these studies reveals a common thread. They predominantly employ discourse analysis and content analysis, focusing on theoretical discussions, perceptions, and interviews with various decision-makers in the country, as opposed to direct engagement with the people who are directly affected by these policies. This study therefore, attempts to fill this gap.

Research Questions

(a) What is the impact of fuel subsidy removal on inflation rates in Nigeria?
(b) Has fuel subsidy removal led to increase in poverty?

Objectives of the Study

The general objective of this study is to examine the impact of fuel subsidy removal on the socio-economic development in Nigeria while the specific objectives is to ascertain the impact of the policy on inflation and poverty rates, with an eye on the situation in Lapai Local Government Area of Niger State.

Conceptual Clarification

Fuel Subsidy

A fuel subsidy is a governmental policy aimed at mitigating the economic impact of high fuel prices on consumers and businesses. Typically involving financial assistance, these subsidies work to lower the overall cost of essential fuels such as gasoline and diesel. Governments implement fuel subsidies to promote affordability for the general population, prevent inflationary pressures on goods and services, and address social welfare concerns, particularly for low-income households. While these subsidies intend to stabilize economies and ensure access to vital services, they often face criticism for distorting market forces, impeding energy conservation efforts, and straining government budgets. Scholars like Jeffrey D. Sachs and

Shantayanan Devarajan have delved into the complexities and implications of fuel subsidies, advocating for a nuanced understanding of their economic and environmental impact in policy considerations. (Strand, 2013)

Inflation

According to Johnson (1963), inflation refers to the sustained increase in the general price level of goods and services in an economy over time. It is commonly expressed as a percentage, representing the rate at which the purchasing power of a currency decreases. Inflation erodes the value of money, causing consumers to pay more for the same basket of goods and services. Central banks and governments closely monitor and aim to manage inflation because excessive inflation can disrupt economic stability. Inflation can result from various factors, including increased demand for goods and services, rising production costs, changes in supply chain dynamics, or monetary policy decisions. Moderate inflation is often considered normal in a growing economy, but hyperinflation or deflationary pressures can have detrimental effects on economic health. Policymakers employ various tools, such as interest rate adjustments and monetary policy, to strike a balance and maintain stable inflation levels conducive to sustainable economic growth (Johnson,1963)

Neocolonialism

Neo-colonialism, as conceptualized by Kwame Nkrumah in his seminal work "Neo-Colonialism: The Last Stage of Imperialism" published in 1965, refers to a form of indirect control and exploitation exercised by former colonial powers over newly independent nations. Nkrumah (1965) argued that traditional colonialism, characterized by direct political and military control, had evolved into a subtler and more sophisticated system. In this new phase, he asserted that Western powers maintained economic dominance and influence over former colonies through economic and financial mechanisms, multinational corporations, and diplomatic means. Nkrumah highlighted how ostensibly independent nations could still be subject to external manipulation, preventing true economic and political sovereignty. The term "neo-colonialism" captures the idea that even after achieving political independence, many African and other developing countries continued to face economic dependencies and challenges perpetuated by their former colonizers, shaping the contours of their development and international relations.

Poverty

Poverty is a multidimensional and complex social phenomenon characterized by the lack or insufficiency of essential resources needed to meet basic human needs (UN, 1995). These resources encompass not only income and financial assets but also access to education, healthcare, housing, and other fundamental elements required for a decent standard of living. Poverty is not merely an economic condition; it encompasses social, cultural, and political dimensions. Individuals or communities in poverty often experience social exclusion, limited opportunities, and a reduced ability to participate fully in societal activities. The causes of poverty are diverse and can include factors such as systemic inequality, lack of access to education and employment, discrimination, political instability, and insufficient social safety nets. Poverty is a global challenge that requires comprehensive and sustainable solutions to address its root causes and improve the well-being of those affected. Efforts to combat poverty typically involve a combination of economic development, social policies, and initiatives aimed at promoting inclusive growth and equitable distribution of resources (Gweshengwe et al., 2020).

Socio-Economic Development

Socio-economic development is a comprehensive and multidimensional process aimed at improving the well-being of individuals and communities by addressing economic, social, and cultural factors. It goes beyond mere economic growth and encompasses a broader vision of progress that seeks to enhance the quality of life for all members of a society. In the context of socio-economic development, Chojnicki (2010) adds that economic growth is just one facet; equally important are improvements in education, healthcare, infrastructure, social equality, and environmental sustainability. This process involves reducing poverty, inequality, and disparities while fostering inclusivity and creating opportunities for all members of society to participate in, contribute to, and benefit from the development process. Effective socio-economic development strategies often include initiatives that promote education, healthcare, infrastructure development, social justice, and sustainable environmental practices. It recognizes the interdependence of economic, social, and cultural factors, aiming for holistic advancements that uplift the overall standard of living and empower individuals to lead fulfilling and dignified lives (Chojnicki, 2010)

Literature Review

The recurring challenge of fuel shortages has become an all too familiar occurrence in Nigeria, a nation blessed with abundant crude oil deposits and a significant role as an exporter of this God-given resource. It is disheartening to note that Nigeria's plight in this regard stands unparalleled, as no other member of the OPEC cartel or even countries devoid of oil production face such a distressing ordeal (Badmus, 2009). In the realm of economics, subsidies come into play when the government extends financial assistance to consumers of a particular commodity, enabling them to pay less than the actual pump price per liter of petroleum products. Conversely, fuel subsidy can be defined as the divergence between the prevailing market price of petroleum products per liter and the price paid by end consumers for the same products. Presently, this disparity, absorbed by the government, arises from a confluence of eight import-related expenses. According to Afonne (2011), these costs have been identified as the primary culprits behind the exorbitant prices of petroleum products in contemporary Nigeria.

Fuel subsidy, which pre-dated the then Goodluck Jonathan administration, was a federal government policy designed to alleviate the economic hardships faced by the Nigerian populace. It not only aimed to bolster the financial capacity of citizens but also accepted the implied financial burdens in pursuit of its national duty to safeguard the well-being of the people. To elucidate, if a product like fuel is theoretically priced at N141 per liter but, due to certain considerations, is made available to consumers at N97 per liter, with the government shouldering the difference of N44, it signifies an implicit subsidy of N85 for every liter purchased at filling stations (Onyishi, 2012). The Nigerian oil and gas downstream sector find itself predominantly under the control of powerful cartels capable of manipulating prices through artificial supply restrictions. These cartels dictate the volume of imports and the proportion released to the market. At times, they permit only a select few product holders to supply the market while others hoard their resources. Peter Akpatasan, former president of NUPENG, aptly summarized the situation by stating that, "Deregulation cannot work in a market dominated by cartels. This cartel is so formidable that it can continue to manipulate prices beyond the reach of the common man. You cannot deregulate when you have no refineries. There will be a severe economic crisis" (Democratic Socialist Movement, 2009).

Nigeria's initial refineries possess a nominal or installed capacity to process 445,000 barrels of crude oil per day, which is a meager 40% of the daily national consumption requirement. This already limited production capacity faces additional challenges stemming

from maintenance and operational deficiencies, leading to inevitable and severe product shortages. The situation is exacerbated by the price disparity between the Nigerian market and its neighboring sub-regions, fostering product smuggling and further exacerbating the gulf between supply and local demand. Today, over 90% of petroleum products consumed domestically are imported, typically incurring costs that mirror international crude oil prices. Such a state of affairs is indeed dysfunctional for a nation that ranks among the top ten oil producers globally. The narrative surrounding the removal of fuel subsidy in Nigeria has a protracted history, punctuated by the deleterious effects it has had on the nation's political landscape.

Subsidy Removal since 1999

S/N	DATE	ADMINISTRATION	PRICE	PERCENTAGE CHANGE
1	2000	Obasanjo	N20.00	-
2	2000	Obasanjo	N20.00	10%
3	2001	Obasanjo	N26.00	18%
4	2003	Obasanjo	N40.00	54%
5	2004	Obasanjo	N45.00	13%
6	2007	Obasanjo	N70.00	56%
7	2007	Obasanjo	N56.00	-20%
8	2010-2012	Jonathan	N65.00	16.07%
9	2012-2015	Jonathan	N141.00	117%
10	2016	Buhari	N145.00	2.84%
11	2023	Tinubu	N617.00	325.52%

Compiled by Authors' (2023)

It was only under the Umaru Musa Yar'dua's administration that Nigerians were spared the ordeal of price increase. Others before and after him inflicted enormous pains on Nigerians as a result of the increase in fuel prices. At the domestic level, both the proponents and opponents of fuel subsidy have valid theses, secondly, both of them also maintain a noncompromising altitude. That is, while the government is talking about no alternative to removal of petrol subsidy, the opponents insist on negotiation with government until government restores fuel subsidy which was removed on January 1, 2012 (Onyishi, 2012). There are contending arguments on the merits and demerits of fuel subsidy increases or removal. The protagonists argued that fuel subsidy removal was a step in the right direction and in the interest of Nigerians. They maintained that it will help eliminate incentives for corruption and excess profiteering by an unpatriotic cartel in the petroleum sub sector.

The Politics of Fuel Subsidy in Nigeria

It is opined that developing countries, by and large tend to be less energy efficient than they could be, because of subsidy (Okogu, 1993). Even when rationalized principally on grounds of income distribution, it is noted that subsidies for fuel usually tend to favour the rich than the poor because the former own more cars and use more fuel (Nwachukwu and Chike, 2011:1).

Timeline of Fuel Subsidy Removal in Nigeria

Period	Description
1970s and 1980s	Nigeria introduced fuel subsidies during the oil boom years to provide affordable petroleum products to its citizens. This policy

	aimed to cushion the impact of rising oil prices on the domestic population.
1986	Nigeria, facing economic challenges, began to implement structural adjustment programs under the guidance of international financial institutions like the International Monetary Fund (IMF). As part of these programs, the government began reducing fuel subsidies.
1988	The Babangida administration introduced the Structural Adjustment Program (SAP), which included measures to deregulate and partially remove fuel subsidies. This move led to widespread protests and civil unrest
1990s	Fuel subsidy policies continued to evolve, with various administrations making adjustments to subsidy levels in response to economic conditions. The removal of subsidies often sparked public protests.
2000s	Fuel subsidies remained a contentious issue, with debates over their economic sustainability and the allocation of resources. The government periodically adjusted fuel prices, leading to protests and strikes.
2012	In January 2012, the Nigerian government, led by President Goodluck Jonathan, attempted to remove fuel subsidies completely, which would have caused a sharp increase in fuel prices. This move resulted in nationwide protests and strikes led by labor unions and civil society groups. Eventually, the government partially reinstated subsidies after negotiations
2016	The administration of President Muhammadu Buhari attempted to remove fuel subsidies again, citing economic challenges and the need to reduce government expenditure. This move also led to public protests and a brief nationwide strike, and the subsidies were partially reinstated.
2020	In March 2020, the Nigerian government, facing fiscal pressures and a drop in oil prices, announced the complete removal of fuel subsidies, allowing fuel prices to be determined by market forces. This decision was part of a broader economic reform agenda but was shelved after planned resistance by civil societies.
2023	In May 2023, President Tinubu announced that fuel subsidy is gone marking a complete removal of fuel subsidy.

Authors' compilation (2023)

The perspective presented by the NNPC (1993:3) asserts that "the subsidy that would be beneficial would be in health care, mass transit, and education." This proposition aligns with Hotelling's (1931) argument that fuel pricing should acknowledge its ephemeral nature, given that once a barrel of oil is extracted, it is forever depleted and unavailable for future utilization. Consequently, there should exist a "user" cost, compensating for the reality that future generations will be permanently deprived of access to that same barrel. Introducing a consumption tax or phasing out subsidies could serve as a means to ameliorate this situation, by freeing up resources that can be channeled towards catalyzing economic transformation. As oil and fossil fuels possess finite lifespans, they fall within the category of exhaustible

resources, as eloquently noted by Akhaine (2010:90). For Nigeria, with proven reserves estimated at 40 billion barrels, this finite nature becomes apparent. The projection of a 2.5 million barrels per day production rate equates to an approximate life expectancy of oil reserves of around 43 years. This stark reality underscores the inescapable fact that oil is a finite resource, and the well will inevitably run dry.

The prevalent argument favoring fuel subsidies in Nigeria is grounded in the nation's abundant oil reserves, with the belief that making energy affordable could stimulate economic growth and shield the populace from undue hardships stemming from exorbitant prices. However, this viewpoint lacks sustainability, as it fails to account for the interests of future generations. To ensure continuity and inter-generational equity, it is imperative to optimize resource utilization and employ the proceeds to transform the economy, guaranteeing self-sufficiency long after the reserves have been depleted, a concept articulated by Solow (1986) and Hartwick (1977). It is unreasonable to expect the nation to heavily invest in oil production only to recover production costs, as highlighted by Soyodo (2001:55), who aptly dismisses the relevance of crude production costs in fuel subsidy calculations. Instead, fuel subsidy is delineated as the revenue loss that should have accrued to the federation account had domestically allocated crude been sold at international market prices rather than at the rate it was provided to the NNPC. It is contended that correctly pricing fuel is crucial due to several factors. Firstly, it offers arbitrage opportunities for marketers who purchase domestically at a lower cost and sell at a premium at the border. Consequently, rational energy pricing, which entails the avoidance of subsidies, stands as the most viable long-term approach for promoting efficiency, as low domestic prices obstruct progress in efficiency enhancements (Okogu, 1993). Additionally, the presence of subsidies is argued to fuel smuggling activities. Neighboring countries such as Chad and Cameroon boast significantly higher fuel prices than Nigeria, leading to an upsurge in smuggling activities along these borders. Furthermore, it is alleged that the National Treasury loses funds equivalent to the implied subsidy level, with a portion of these funds manifesting as substantial profits for smugglers (Akhaine, 2010).

While the classical argument for implementing subsidies pertains to the acceleration of development and the improvement of income distribution, it is critiqued for favoring urban sectors disproportionately. Consequently, it is not surprising that fuel subsidy policies have been characterized as benefiting the affluent more than the impoverished (Kosmo, 1989). Consequently, the diversion of scarce resources from other deserving sectors, such as education and health, in the name of fuel subsidy, exacerbates inequality and poverty.

Empirical Review

Omotosho (2019) conducted an extensive analysis of the macroeconomic implications of oil price shocks and the prevailing fuel subsidy regime in Nigeria. To accomplish this, the study developed and estimated a New-Keynesian DSGE model that encompassed the pass-through effect of international oil price fluctuations on the retail price of fuel. The findings were illuminating, indicating that oil price shocks exerted significant and persistent impacts on the country's economic output, accounting for approximately 22 percent of its variations over a four-year horizon. Under the benchmark model, which considered the presence of fuel subsidies, a negative oil price shock was observed to contract the aggregate GDP, stimulate non-oil GDP, elevate headline inflation, and depreciate the exchange rate. However, when analyzing results generated from the model in the absence of fuel subsidies, it was evident that the contractionary effect of a negative oil price shock on aggregate GDP was mitigated, while headline inflation decreased. Interestingly, the exchange rate experienced more pronounced depreciation in the short run. Additionally, counterfactual simulations highlighted that the removal of fuel subsidies led to heightened macroeconomic instabilities and presented

significant challenges regarding the response of monetary policy to oil price shocks. Consequently, the study underscored the importance of comprehensive reform in the context of fuel subsidies, emphasizing the necessity of well-targeted safety nets and the development of sustainable adjustment mechanisms.

However, while Omotosho's study offers valuable insights into the complex dynamics of oil price shocks and fuel subsidy, it leaves certain critical aspects unaddressed. One notable omission is a detailed examination of the potential social and political ramifications of fuel subsidy reform. The study largely focuses on the macroeconomic effects but does not delve deeply into how these changes impact the Nigerian populace, particularly the vulnerable segments of society. Additionally, the study does not extensively explore the challenges and obstacles that may hinder the successful implementation of fuel subsidy reform, such as political resistance, public protests, and governance issues.

On the other hand, Obasi et al (2023) conducted a study that delves into the political economy of fuel subsidy removal in Nigeria and its far-reaching implications for the overall economy and the well-being of the population. The study effectively addresses the arguments both for and against fuel subsidy removal, providing a comprehensive overview of the political discourse surrounding this contentious issue. Drawing on secondary data, the research offers an in-depth analysis, shedding light on the rampant corruption within Nigeria's oil sector and its detrimental impact on economic development. However, Obasi et al.'s study also leaves some key areas unexplored. While it rightly emphasizes the pervasive corruption in the oil sector and the mismanagement of funds, it could benefit from a more detailed examination of specific corruption cases and their direct implications on the economy. Furthermore, the study highlights the need for the revamping of refineries and the fight against corruption but lacks a comprehensive exploration of the strategies and policies required to achieve these objectives. Additionally, while the study mentions Ghana's approach to cushioning the effects of fuel subsidy phase-out on the poor, it could provide a more detailed comparative analysis of policies and practices in other countries facing similar challenges.

Other studies have diligently examined the ramifications of fuel subsidy within the Nigerian economic landscape. For instance, Umar and Umar (2013) and Siddig et al. (2014) have shed light on how Nigeria's subsidy framework distorts fiscal planning, perpetuates inefficient consumption patterns, and exacerbates income inequality, with wealthier households reaping more substantial benefits. Siddig et al. (2014) have further substantiated that reducing subsidies can boost GDP while reducing household income. These investigations have employed diverse methodologies, encompassing the computable general equilibrium model (Siddig et al., 2014; Adenikinju, 2009), survey data analysis (Ocheni, 2015), and the narrative approach (Bazilian and Onyeji, 2012), to comprehensively explore these multifaceted impacts.

In their comprehensive study, Musa et al. (2014) delved into the repercussions of fuel subsidy removal on Nigeria's socio-economic development. Employing a price pass-through model and the error correction method to assess both short-term and long-term effects, they scrutinized data spanning from 1980 to 2012. The research revealed that, in the short run, fuel subsidy removal yielded no immediate impact on the social well-being of Nigerians. However, the long-term perspective painted a promising picture, indicating that deregulating the downstream sector could potentially foster future economic development in the country. This finding resonates with theoretical and empirical insights, suggesting that eliminating distortions and enhancing market efficiency can drive economic growth. Nonetheless, Musa et al.'s study falls short by not delving deeper into the practical challenges associated with implementing subsidy reforms, such as political resistance, public reactions, and governance shortcomings. Moreover, a more comprehensive exploration of the social and political consequences of

subsidy reform, especially its effects on vulnerable segments of the population, would enhance the study's completeness.

From an international standpoint, Beers and Moor (2001), leveraging simulation analysis, elucidated that the removal of consumer subsidies in non-OECD countries could potentially augment global welfare by $35 billion. This shift would not only elevate real income worldwide by 0.7% annually but also improve terms of trade by 0.5% per year. These gains primarily stem from the inefficient structure and palliative measures designed to mitigate the direct effects of fuel subsidy removal. Nevertheless, the study also underscored that the reduction of fuel subsidy could exacerbate poverty levels within the Nigerian economy, particularly impacting rural areas (Afonne, 2011). Additionally, Nuhu-Koko (2008) highlighted the substantial financial commitments made by the national treasury to subsidize petroleum product marketers, reaching a staggering $10.7 billion between 2008 and 2010. These figures notably exceeded the total capital allocation to priority sectors in the 2009 budget, underscoring the considerable financial burden posed by subsidies.

Regarding international perspectives, the removal of fossil-fuel subsidy is often considered a policy measure with multiple benefits, encompassing economic, environmental, and fiscal gains. By eliminating subsidies, countries can raise fossil-fuel prices, reducing consumption and greenhouse gas (GHG) emissions. Simultaneously, it frees government budgets from the financial drain of subsidy, enabling investment in other development projects. Nevertheless, debates persist regarding the timing and necessity of subsidy removal, given concerns about potential negative impacts on vulnerable populations.

Obiora and Ozilli's (2023) analysis of the macroeconomic and microeconomic implications of the 2023 fuel subsidy removal in Nigeria, employing the discourse analysis methodology, provides valuable insights into the potential consequences of this policy shift. They highlight several positive outcomes, including the freeing up of financial resources for other sectors, incentivizing domestic refineries, reducing dependence on imported fuel, boosting employment, and addressing critical public infrastructure needs. However, their study also acknowledges the negative implications, such as potential short-term economic growth reduction, increased inflation, poverty levels, fuel smuggling, and job losses in the informal sector. While the study offers a comprehensive overview of these aspects and provides policy recommendations, it is important to note some limitations. One significant drawback is the absence of empirical data to substantiate the claims regarding the impact of fuel subsidy removal. Additionally, the study does not delve into the potential challenges of implementing these policies, the complexities of subsidy removal in practice, or the political and social implications in detail. A more robust analysis that incorporates empirical evidence and a deeper exploration of the practical challenges would enhance the study's credibility and utility for policymakers.

Several studies have weighed in on the contentious topic of fuel subsidy, presenting a spectrum of opinions ranging from its advantages to the case for its elimination. For instance, Omitogun et al. (2021) shed light on the potential environmental benefits, contending that the removal of fuel subsidy may contribute to a reduction in carbon emissions within the Nigerian economy. Similarly, Adekunle and Oseni (2021) posit that fuel subsidy removal could curtail the growth in carbon emissions by encouraging lower energy consumption, albeit at the cost of higher energy prices. Another perspective, advocated by Asare et al. (2020), supports fuel subsidy removal, suggesting that the resulting revenue could be channeled into immediate interventions addressing crises like COVID-19 and redirecting resources toward more productive long-term recovery efforts (Ozili and Arun, 2023).

Conversely, some studies illuminate the potential adverse consequences of fuel subsidy removal. Umeji and Eleanya (2021) argue that despite the introduction of fuel subsidy,

Nigeria's oil wealth has not translated into an improved standard of living. They contend that while removing fuel subsidy could have severe repercussions, transparency in the government's utilization of the saved funds for infrastructure development could help mitigate these effects. Furthermore, Ovaga and Okechukwu (2022) assert that fuel subsidy fosters corruption in Nigeria. They suggest that a group of corrupt individuals actively undermines efforts to maintain existing refineries and obstructs the construction of new ones, thus perpetuating fuel importation and the retention of fuel subsidy for their self-serving interests. Omotosho (2020) warns that fuel subsidy removal may result in heightened macroeconomic instability, characterized by rising energy prices and inflation in Nigeria. Additionally, McCulloch, Moerenhout, and Yang (2021) highlight the prevailing skepticism among many Nigerian citizens regarding fuel subsidy removal or reforms. This skepticism arises from a deep-seated belief that the government is corrupt and lacks the capacity to implement transparent reforms effectively.

While these studies contribute significantly to the discourse surrounding fuel subsidy, it is important to acknowledge that they offer a range of perspectives without universally applicable conclusions. Moreover, they tend to emphasize either the benefits or drawbacks of fuel subsidy removal, leaving a gap in the comprehensive examination of both sides of the issue. A more nuanced approach that considers various facets of the debate and incorporates empirical data could offer a more complete understanding of the complex implications of fuel subsidy in Nigeria. Numerous international studies have delved into the intricate subject of fuel subsidy removal, each offering unique insights into its consequences. Harring et al. (2023) conducted a cross-country analysis of attitudes toward fossil fuel subsidy removal and discovered that the public tends to support such measures when the saved fiscal revenues are optimally utilized. In Malaysia, Chatri (2014) explored the economy-wide ramifications of gas subsidy reduction within the power sector, revealing a chain reaction that included increased electricity prices, reduced demand from other economic sectors, and a subsequent decline in gross domestic product.

Antimiani et al. (2023) shed light on the persisting prevalence of fossil fuel subsidy in EU countries and ongoing deliberations regarding their removal. The aim is to redirect these revenues towards facilitating the transition to a sustainable and decarbonized EU economy. Sampedro et al. (2017) highlighted the detrimental impact of fossil fuel subsidies on climate change mitigation efforts within the EU. They emphasized that such subsidies divert investment away from clean energy sources, with the staggering revelation that fossil fuel subsidies in 2014 amounted to a colossal US$233 billion, dwarfing the subsidies allocated for promoting renewable energy. Nonetheless, their study cautioned that fuel subsidy removal might lead to only a marginal reduction in CO2 emissions, as individuals may shift from fuel to coal and gas. Nowag et al. (2021) proposed the utilization of state aid to facilitate the gradual phasing out of fossil fuel subsidies in the EU. Erickson et al. (2017) contended that the removal of tax incentives and other forms of support for fossil fuels could accelerate progress toward achieving the G20 climate commitments. Lin and Li (2012) examined China's case and concluded that fuel subsidy removal would generate negative externalities within China but create positive externalities for other world regions that maintain subsidies. In a related study, Ouyang and Lin (2014) revealed that the economic benefits of renewable energy subsidies in China were overshadowed by the economic advantages of fossil fuel subsidy.

While these international studies contribute significantly to the global discourse on fuel subsidy removal, it is crucial to acknowledge their limitations. Most notably, they provide varied perspectives, focusing either on the benefits or drawbacks of subsidy removal, which may not account for the full spectrum of effects. Additionally, the implications discussed in these studies are often context-specific, making it challenging to extrapolate their findings to a

broader international context. A more comprehensive analysis that considers both sides of the argument, while also examining the intricacies of regional and global dynamics, would provide a more nuanced understanding of the complex interplay between fossil fuel subsidies and the pursuit of sustainable and decarbonized economies worldwide. However, despite the valuable contributions of these studies to the discourse on fuel subsidy, there is a noticeable gap in their research approaches. The review of their studies revealed a common reliance on discourse analysis and content analysis, often emphasizing theoretical discussions, perceptions, and interviews with various decision-makers in the country. While these perspectives offer valuable insights into policy formulation and elite perspectives, there is a discernible absence of direct engagement with the people directly affected by these policies, particularly those in vulnerable socioeconomic positions. To gain a more holistic understanding of the impact of fuel subsidy removal, future research should incorporate the voices, experiences, and perspectives of the everyday citizens who bear the brunt of these policy changes. This would provide a more comprehensive and inclusive analysis of the multifaceted implications of subsidy reform and ensure that the interests and well-being of all segments of society are taken into account in the policymaking process.

The identified gap in existing empirical studies on the impact of petroleum subsidy in Nigeria revolves around the predominant use of discourse analysis and content analysis, often relying on theoretical discussions and interviews with decision-makers rather than directly engaging with the people directly affected by these policies. The literature review provided earlier aligns with this observation, as many of the cited studies employed similar methodologies and focused on theoretical discussions and perceptions. However, this study distinguishes itself by directly engaging with the affected populace, as evidenced by the respondents' survey responses. Unlike the prior studies that primarily drew on discourse, secondary data and content analysis, this study bridges the gap by incorporating the perspectives, experiences, and opinions of the everyday citizens who bear the brunt of fuel subsidy policies. In doing so, the study brings a fresh and more comprehensive dimension to the discourse on oil subsidy in Nigeria, providing a nuanced understanding of the real-world impact of subsidy removal on individuals and households in Lapai Local Government Area of Niger State. This direct engagement with the affected population enhances the study's credibility and contributes valuable insights to the ongoing discourse on fuel subsidy in Nigeria.

Theoretical Framework

This study adopts the neocolonial theory of development and underdevelopment as its framework of analysis. The neocolonial theory posits that Western powers, particularly through international financial institutions like the World Bank and the International Monetary Fund (IMF), exert significant influence over African countries, often compelling them to adopt policies that are detrimental to their own populations. This theory suggests that these Western institutions, which were ostensibly created to promote economic development and stability, have been employed as instruments of control and dominance by powerful Western nations. In this discussion, we delved into the key aspects of the neocolonial theory and provided examples to illustrate its application (Nkrumah, 1966). One of the central tenets of the neocolonial theory is the implementation of Structural Adjustment Programs in African countries. SAPs, often prescribed by the IMF and the World Bank, require recipient nations to adopt a set of economic policies, including fiscal austerity measures, trade liberalization, and privatization of state-owned enterprises. These policies are often criticized for their adverse effects on ordinary citizens, such as reducing access to essential services and exacerbating poverty. Ake (1991) argues that African countries have been trapped in a cycle of debt dependency, where they are

forced to borrow money from Western financial institutions to service existing debts. This debt burden, he contends, gives Western powers significant leverage over African governments, enabling them to dictate economic policies that prioritize debt repayment over social welfare. Western institutions are accused of attaching strict conditions to financial assistance, loans, and aid packages, effectively coercing African governments to comply with Western economic and political agendas. This can include policy conditions that prioritize market liberalization and reduce state intervention in the economy, potentially undermining local industries and social safety nets.

The neocolonial theory can be applied to explain why some African countries are adopting fuel subsidy removal policies, even when it appears to hurt their economies and negatively impact their populations. This controversial policy decision often involves pressure and influence from Western powers and international financial institutions, aligning with the neocolonial theory's framework of external control and manipulation. Here's an analysis of how this theory can elucidate the situation:

The first strand of argument is on Debt Dependency and Economic Pressures**.** Many African nations carry substantial external debts owed to Western institutions like the International Monetary Fund (IMF) and the World Bank. These creditors often attach strict conditions to loans and aid packages, which may include fuel subsidy removal as a prerequisite for financial assistance. African countries facing economic challenges, high debt burdens, and balance of payments crises may feel compelled to comply with these conditions to secure much-needed funds. A thorough look at Nigeria's fiscal position justifies this assertion.

The second strand of argument is on Resource Exploitation and Economic Interests. Western countries, often in collaboration with multinational corporations, have a vested interest in Africa's oil and energy resources. These resources are highly valuable on the global market, and Western powers may pressure African nations to eliminate fuel subsidies to ensure a stable and lucrative energy market. This prioritization of resource extraction and profit aligns with the neocolonial theory's assertion that external actors exploit Africa's resources for their benefit.

The third strand is on Policy Coercion and Conditionalities. Neocolonialist arguments contend that Western institutions use policy conditions as a means of control. African countries seeking financial assistance may be coerced into implementing fuel subsidy removal policies, as these institutions often advocate for market liberalization and reduced state intervention in the economy. This can undermine local industries and social safety nets while promoting economic policies that align with Western interests just like fuel subsidy removal in Nigeria.

The fourth strand is on Political and Economic Interests. Some African leaders and elites may have vested economic and political interests in the removal of fuel subsidies. These interests can align with those of Western actors, potentially leading to policies that benefit a select few while adversely affecting the broader population. Neocolonialism often involves local elites cooperating with external powers for their mutual gain.

This study argues that the removal of fuel subsidy in Nigeria was done to appease western institutions. The Nigerian government's decision to remove fuel subsidies and its subsequent actions, as discussed earlier, have raised suspicions of external influence, particularly from international financial institutions like the International Monetary Fund (IMF). The timing and manner in which the subsidy removal was carried out align with the structural adjustment policies often advocated by such institutions. These policies typically prioritize fiscal consolidation and economic liberalization, which often involve subsidy removal as a condition for financial assistance or debt relief.

Methodology

The research design is a road-map that guides a researcher into collecting, arranging and analyzing data. It is a format adopted by the researcher to systematically apply a scientific method to the problem of investigation. The survey research plan is adopted for the study because the study involves the study of individuals by collecting and analyzing data from a small number of people considered to be a representative sample of the entire population. The design of the survey is one that involves the evaluation of the opinion questionnaire.

Area of the study, Population and Sample Size

This study was conducted in Lapai Local Government Area of Niger State,North Central Nigeria with a total population of 200,700. The use of a sample size for a study to determine the representativeness of the real population for specific study cannot be overemphasized; as such, Mohaja (2013) justified the use of Taro Yamane's formula for researchers in determining the sample size from a given population. In this direction, Okoro (2005, p. 69) says that "the choice of a sample size should be adequate so, the investigator will be assured that the sample will be representative of the population from which it is drawn.

Hence, Taro Yamane's formula for calculating sample size became useful in this study; the researcher used the formula to determine the sample size of the study population. The formula is thus:

$n= N/1+N (e)^2$

Where: n= Sample size.

N= Number of entire population (which is 200,700).

e= Margin of error given level of significant from 1%, 5% and 10% (5% was used i.e. 0.05).

1= Constant value.

$n= 200,700/1+200,700(0.05)^2$

n= 200,700/1+200,700 (0.0025)

n= 200,700/1+55,000.

n= 200,700,000/55,001.

n= 399.999

n is approximately equal to 400

Sample size is approximately equal to 400.

Method of Data Collection and Data Collection Instrument

The study employed both primary and secondary data. Questionnaires were administered. Secondary sources including academic journals, books, government reports, and reputable online databases were/ also used in this study. The data were collected using quantitative primary methodology which strictly has to do with the employment of questionnaire in data collection. The questionnaire is the most appropriate in this type of study because it focuses on the opinions and perception of respondents on the subject matter. The method also allows the researcher to use the information that will be obtained from the sample to make references. The questionnaire is used because it is flexible and can enable the researcher to collect information on a wide range of topics.

Method of Data Analysis

The data were analyzed using content analysis technique to identify relevant information and insights that will support the research objectives. All the data collected were subjected to rigorous analysis and explanations with the aim of achieving the objective of this work. The study also used simple descriptive-qualitative analysis that combines content analysis, descriptive statistics with logical inductions. As such, tables were used in data presentation and

analysis. While logical induction and the use of tables helped us make sense out of data generated using survey, the content analysis method was instrumental in analyzing the contents of documents. This method is mainly associated with textual and contextual analysis of already existing information on the phenomenon being investigated. It involves the presentation, reading, analysis, critique and discussion of relevant information gathered from the different categories of sources, from which conclusion can be drawn. The content analysis allows the user to arrive at answers to problems without necessarily involving statistical processes or what is generally known as quantitative means (Corbin & Strauss, 1990; McNabb, 2005)

Data Presentation and Analysis

The following tables are presented and analyzed based on the information gathered from the responses to questionnaires distributed for the survey.

Table 1: Analysis of Questionnaire retrieved

Details	**Frequency**	**Percentage (%)**
Questionnaire retrieved	350	87.5%
Questionnaire not retrieved	50	12.5%
Total	**400**	**100**

From table1, 350 questionnaire copies which represent 87.5% were retrieved, 50 questionnaire copies or 12.5% were not retrieved.

SECTION A: Socio-demographic Characteristics of Respondents

Table 2 Gender

Details	**Frequency**	**Percentage (%)**
Male	232	**66.3%**
Female	118	**33.7%**
Total	**350**	**100**

From table 2, 66.3% of the respondents were males, while 33.7% were females. It shows that majority of the respondents were males.

Table 4: Age distribution of Respondents

Details	**Frequency**	**Percentage (%)**
18-26	20	5.7%
26-34	233	66.6%
34-42	86	24.6%
42 & Above	11	3.1%
Total	**350**	**100**

Table 4 indicates that 66.6% of the respondents fall within the age bracket of 26-34; 24.6% are within the 34-42 age range; while 5.7% falls between 18 and 26. 3.1% of the respondents are in the 42 and above range.

Table 5: Religious Affiliation of Respondents

Details	**Frequency**	**Percentage (%)**
Muslims	289	82.6
Christians	61	17.4
African Traditional	0	0
Total	**350**	**100**

From table 5, 17.4% of the respondents are Christians and 82.6% are Muslims, while 0 % respondents are African Traditionalists. Greater percentage of the respondents are Muslims.

Table 6: Marital Status

Details	**Frequency**	**Percentage (%)**
Single	134	38.3
Married	159	45.4
Divorced	57	16.3
Total	**350**	**100**

Table 6 indicates that 45.4% of the respondents are married, 38.3% are single while 16.3% are divorced. This shows that majority of the respondents are married.

Table 7: Educational Level

Details	**Frequency**	**Percentage**
No schooling	25	7.1
Primary	87	24.9
Secondary	123	35.1
Tertiary	115	32.9
Total	**350**	**100**

From table 7, 35.1% of the respondents are secondary certificate holders, 32.9% are tertiary certificate holders, and 24.9% are primary certificate holders, while 7.1% had no school certificates. It shows that majority of the respondents are SSCE holders.

Summary of Responses

Table 6: Fuel subsidy removal has led to increase in price of goods and services

	Frequency	**Percentage (%)**
Strongly agreed	**139**	**39.7**
Agreed	**125**	**35.7**
Disagreed	**36**	**10.3**
Strongly disagreed	**50**	**14.3**
Total	**350**	**100**

From the table above, 39.7% strongly agreed, 35.7% agreed, 14.3% strongly disagreed while 10.3% disagreed. It shows that a greater proportion of the respondent strongly agreed that fuel subsidy removal has led to increases in the price of goods and services. The respondents' strong agreement, with 75.4% either strongly agreeing or agreeing, that fuel subsidy removal has led to an increase in the price of goods and services resonates with the economic arguments presented in the literature. Scholars such as Afonne (2011) and Onyishi (2012) have discussed how subsidy removal contributes to higher prices of petroleum products, influencing the overall cost of goods and services. This correspondence between the respondents' perspectives and scholarly discussions supports the literature's emphasis on the inflationary impact of fuel subsidy removal. Also, these responses clearly points to the reality that fuel subsidy removal has led to increase in the price of goods and services.

Table 7: Due to fuel subsidy removal, households can barely afford basic needs.

	Frequency	Percentage (%)
Strongly agreed	**220**	**63**
Agreed	**123**	**35**
Disagreed	**7**	**2**
Strongly disagreed	**0**	**0**
Total	**350**	**100**

From the table 7 above, 0% strongly disagreed, 2% disagreed, 35% agreed while 63% strongly agreed that fuel subsidy removal has negatively affected the ability of households to afford their basic needs. The resounding agreement among respondents, with 98% either strongly agreeing or agreeing, that households can barely afford basic needs since the removal of fuel subsidy echoes the concerns articulated in the literature. Scholars such as Umar and Umar (2013) and Omotosho (2019) have discussed the potential economic challenges and hardships resulting from subsidy removal, emphasizing the impact on the affordability of essential goods and services. This alignment between the respondents' views and the scholarly discourse supports the literature's emphasis on the socio-economic consequences of subsidy removal, particularly regarding the strain it places on households and their ability to meet basic needs. This response is crucial in this study as it underscores the real-world implications of fuel subsidy removal on the economic well-being of households in Lapai Local Government Area of Niger State.

Table 8: Nigerians have become poorer since fuel subsidy was removed

	Frequency	Percentage (%)
Strongly agreed	**139**	**39.7**
Agreed	**125**	**35.7**
Disagreed	**36**	**10.3**
Strongly disagreed	**50**	**14.3**
Total	**350**	**100**

From the table 8 above, 39.7% strongly agreed, 35.7% agreed, 14.3% strongly disagreed while 10.3% disagreed. It shows that greater proportion of the respondents strongly agreed that they have become poorer since the removal of fuel subsidy. The respondents' overwhelming agreement, with 75.4% either strongly agreeing or agreeing, that Nigerians have become poorer since the removal of fuel subsidy is reflective of a view that resonates with concerns voiced in the literature. Scholars such as Obasi et al. (2023) and Umar and Umar (2013) have discussed the potential negative economic impacts of fuel subsidy removal, emphasizing its effects on income distribution and wealth inequality. This alignment between the respondents' perceptions and scholarly discussions supports the literature's emphasis on the socio-economic

consequences of subsidy removal, particularly in terms of its contribution to increased poverty levels.

Table 9: Palliatives will cushion the effects of fuel subsidy removal on cost of living of Nigerians

	Frequency	Percentage (%)
Strongly agreed	**37**	**10.6**
Agreed	**28**	**8**
Disagreed	**173**	**49.4**
Strongly disagreed	**112**	**32**
Total	**350**	**100**

From the table above, 49.4% disagreed, 32% strongly disagreed, 10.6% strongly agreed while 8% agreed. It shows that greater proportion of the respondents disagreed that palliatives will cushion of fuel subsidy removal on the cost of living in Nigeria. As shown in the literature review, scholars such as Omotosho (2019), Obasi et al. (2023), and Musa et al. (2014) have offered insights into the economic implications of subsidy removal and the need for supportive measures. The concerns expressed by the respondents align with the literature emphasizing the hardships and economic challenges associated with the removal of fuel subsidies.

Table 10: Fuel Subsidy Removal will benefit Nigerians in the Long term

	Frequency	Percentage (%)
Strongly agreed	**17**	**4.9**
Agreed	**28**	**8**
Disagreed	**203**	**58**
Strongly disagreed	**102**	**29.1**
Total	**350**	**100**

From the table 10, 4.9% strongly agreed, 8% agreed, 58% disagreed while 29.1% strongly disagreed. It shows that greater proportion of the respondents disagreed that fuel subsidy removal will benefit Nigerians in the long term. The respondents' opinions on the long-term benefits of fuel subsidy removal align with the literature that has presented contrasting perspectives on the subject. The majority of respondents, totaling 87.1%, either disagreed or strongly disagreed with the notion that fuel subsidy removal will benefit Nigerians in the long term. This resonates with arguments presented in the literature, particularly by scholars like Musa et al. (2014), who indicated that the long-term benefits of subsidy removal may take time to materialize. This response is significant in the context of the study's general objective to examine the impact of fuel subsidy removal on socio-economic development, emphasizing the need to consider the long-term consequences. The disparity between respondents' views and the perceived long-term benefits outlined in the literature underscores the complexity and divergence of perspectives surrounding fuel subsidy policies in Nigeria.

Discussion of Findings

The survey achieved a commendable response rate, with 87.5% of the distributed questionnaire copies successfully retrieved. This suggests a high level of engagement and willingness among the respondents to participate in the survey, enhancing the reliability of the gathered data. Examining the socio-demographic characteristics of the respondents, it becomes evident that certain demographic factors may have played a role in shaping their perspectives on fuel subsidy removal. Gender-wise, the majority of respondents were male, constituting 66.3% of the sample, while females accounted for the remaining 33.7%. This gender disparity could imply potential variations in viewpoints, as gender often influences economic roles and

responsibilities within households. Age distribution among respondents revealed that a significant proportion, approximately 66.6%, fell within the age bracket of 26-34 years. In contrast, 24.6% were between 34-42 years, 5.7% belonged to the 18-26 age group, and a minor 3.1% were 42 years and above. This age distribution underscores the predominance of younger adults in the survey, potentially reflecting the perspectives of a generation that may have different economic experiences and expectations from older cohorts. Religious affiliation emerged as a notable demographic factor, with 82.6% of respondents identifying as Muslims, 17.4% as Christians, and 0% adhering to African Traditional religions. Religion often plays a significant role in shaping ethical and moral perspectives on economic matters, and this distribution may have implications for how respondents view fuel subsidy removal. Marital status, another socio-demographic variable, revealed that 45.4% of respondents were married, 38.3% were single, and 16.3% were divorced. Marital status can influence economic considerations, as married individuals may have different financial responsibilities compared to their single or divorced counterparts. These differences in financial obligations could have influenced perceptions of the impact of fuel subsidy removal. Educational levels of the respondents varied, with 35.1% holding secondary school certificates (SSCE), 32.9% possessing tertiary-level certificates, 24.9% having primary certificates, and 7.1% reporting no formal schooling. Education is often associated with improved economic literacy, and the distribution of educational backgrounds may have influenced respondents' understanding of the economic consequences of fuel subsidy removal.

Moving on to the summary of responses to statements related to fuel subsidy removal, the findings indicate various perspectives among the respondents. Concerning the increase in the prices of goods and services due to fuel subsidy removal, the majority of respondents, totaling 75.4%, either strongly agreed (39.7%) or agreed (35.7%). This substantial agreement suggests a consensus among respondents that fuel subsidy removal has indeed led to price hikes, highlighting its economic repercussions. Furthermore, respondents expressed concerns about the ability of households to afford basic needs following fuel subsidy removal. A significant majority, comprising 63%, strongly agreed that households can barely afford basic necessities, while an additional 35% agreed to this statement. This resounding agreement underscores the perceived adverse effects of subsidy removal on household finances. Respondents were also asked about their perceptions of the impact of fuel subsidy removal on the overall economic well-being of Nigerians. Here, 75.4% of respondents either strongly agreed (39.7%) or agreed (35.7%) that Nigerians have become poorer since the removal of fuel subsidy, reaffirming concerns about its negative economic consequences.

In contrast, when queried about the potential of palliatives to alleviate the effects of fuel subsidy removal on the cost of living in Nigeria, respondents held a different view. A majority, constituting 81.4%, either disagreed (49.4%) or strongly disagreed (32%) that palliatives would cushion the impact of subsidy removal. This divergence in opinion regarding the efficacy of palliatives suggests skepticism among respondents about the government's ability to mitigate the economic challenges arising from subsidy removal. Lastly, when asked about their beliefs regarding the long-term benefits of fuel subsidy removal, respondents exhibited significant skepticism. A substantial majority, totalling 87.1%, either disagreed (58%) or strongly disagreed (29.1%) that fuel subsidy removal would ultimately benefit Nigerians in the long term. This skepticism reflects apprehensions about the sustainability and positive outcomes of the policy in the future.

The Nigerian government's handling of the fuel subsidy issue has indeed raised concerns about deception and a lack of transparency in its policy implementation. One striking example of this is the government's assertion that the Dangote Refinery, one of the largest in the world, would help the country cease its fuel importation and alleviate the burden of fuel

subsidies. This promise was used as a justification for the hasty removal of fuel subsidies. However, despite the government's assurances, the Dangote Refinery has not yet commenced operations as promised, leaving the public feeling misled and betrayed. Moreover, the Nigerian National Petroleum Corporation (NNPC) added to the confusion and skepticism when it publicly stated that fuel prices would not decrease even when local refineries, including the Dangote Refinery, started operations. This statement contradicted the government's earlier claims that the refinery would lead to a reduction in fuel prices and expose the fallacy of expecting the removal of subsidies to result in cheaper fuel. This inconsistency in government messaging further eroded public trust in its intentions and ability to manage the fuel subsidy issue effectively.

Additionally, the government's handling of corruption allegations related to the fuel subsidy regime has raised eyebrows. While accusing powerful forces of corruption in the subsidy system, the government has failed to take decisive action against those responsible for siphoning funds meant for subsidizing fuel. Instead of holding the alleged fuel subsidy thieves accountable, the government has resorted to punitive measures against the general populace, such as removing subsidies and increasing fuel prices. This approach has left many questioning the government's commitment to combating corruption and protecting the interests of the Nigerian people. The suspicions have arisen that the government's decisions regarding fuel subsidies are influenced by external pressures, particularly from international financial institutions like the International Monetary Fund (IMF). Some believe that the government's actions, including the removal of subsidies, are undertaken to appease these institutions rather than prioritizing the welfare of its citizens. This perception has fueled resentment among the Nigerian populace, who feel that their government is prioritizing external interests over their own well-being.

From the foregoing, the Nigerian government's handling of the fuel subsidy issue has been marked by deception, inconsistent messaging, and a failure to address corruption within the subsidy system. The public's trust has eroded due to unfulfilled promises, contradictory statements, and a perceived lack of accountability. These issues underscore the need for greater transparency, accountability, and public engagement in shaping policies that directly impact the lives of Nigerian citizens.

Conclusion and Recommendations

In conclusion, the findings from this study reveal significant concerns among respondents regarding the removal of fuel subsidies in Nigeria. The majority of respondents strongly agreed or agreed that the policy had led to an increase in the prices of goods and services, making it clear that there is a consensus on the adverse economic consequences of subsidy removal. Moreover, the respondents expressed deep concerns about households' ability to afford basic needs, further highlighting the negative impact on household finances. Similarly, there was overwhelming agreement that Nigerians have become poorer since the removal of fuel subsidies, underlining the perceived adverse economic effects of the policy. However, when it comes to the potential of palliatives to alleviate the impact of subsidy removal, respondents displayed skepticism. The majority disagreed or strongly disagreed that palliatives would cushion the effects of subsidy removal, reflecting doubts about the government's ability to mitigate the economic challenges arising from the policy.

Furthermore, respondents expressed significant skepticism regarding the long-term benefits of fuel subsidy removal, with a substantial majority believing that the policy would not ultimately benefit Nigerians in the long term. The government's willingness to adopt these policies can be seen as an attempt to gain favor with these Western institutions and demonstrate commitment to their recommended economic reforms. However, this approach has resulted in

public dissatisfaction and protests, as many Nigerians perceive these policies as serving foreign interests at the expense of their own economic well-being. In this context, the removal of fuel subsidies can be interpreted as a concession to meet the demands of Western institutions, raising questions about the government's true priorities and its responsiveness to the needs of its citizens.

In light of these findings, it is imperative for the Nigerian government to prioritize transparency, consistency, and accountability in its policymaking processes, especially when implementing policies with significant socioeconomic implications like fuel subsidy removal. Public engagement and consultation are essential to ensure that policies reflect the needs and concerns of the Nigerian citizens. The government should take concrete steps to address corruption within the subsidy system and hold those responsible accountable. It is essential to rebuild trust between the government and its people by demonstrating a genuine commitment to the welfare of Nigerian citizens and the nation's economic stability.

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