Effect of Fuel Subsidy Removal on Socio-Economic Development of Chanchaga Local Government Area of Niger State

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Abstract
The removal of fuel subsidy in Nigeria raised a serious question among the citizens of it economic, social and environmental implications. This research work examines the effect of fuel subsidy removal on socio-economic development of Chanchaga Local Government. The study relied on quantitative approach to gather and analyzed its data. The study adopts Neo-liberalism theory. The study reveals 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. The work therefore, recommends the following as measures to ensures balance in the economy even if the policy of subsidy removal has come to stay which include, government should implement targeted cash transfers or voucher programs to provide financial assistance to low-income households, helping them cope with the increased cost of living due to higher fuel prices, government should develop and promote alternative income-generating activities that are less dependent on fuel, such as sustainable agriculture, renewable energy projects, or skill-based cottage industries, to help citizens diversify their sources of income, government should establish vocational training programs and entrepreneurship initiatives to equip the unemployed with relevant skills and support them in starting small businesses or finding employment in sectors less affected by fuel prices, government should Enhance community policing efforts, improve street lighting, and implement crime prevention programs to address potential security concerns arising from increased economic hardship caused by higher fuel costs.
Keywords*:* Subsidy, fuel subsidy removal, socio-economic development, development

Introduction
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 pushed 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 .However, the removal of fuel subsidies, while economically beneficial, can

worsen poverty, inequality and environmental impact if price shocks are sudden and no mitigating policies are implemented. Developing countries require well-designed reform policies and strategies that generate savings for social welfare spending and manage significant short and long term socio-economic trade-offs. Therefore, there is considerable uncertainty around how subsidy removal impacts key vulnerable groups across rural/urban communities and different income strata. There is also inadequate evidence on effective policy interventions that governments can pursue alongside removing subsidies to cushion against various social disruptions while still opening the economy for shared prosperity.

It is in the light of this, that the removal of fuel subsidy in Nigeria raised a serious question among the citizens of it economics, social and environmental implications. The recent pronouncement on the removal of fuel subsidy resulted to the high price of petroleum and consequently affects the prices of other goods and service of the country. The subsidy removal, while driven by the intent of aligns with global trends of fossil fuel subsidy reduction and enhances fiscal sustainability (Al Jazeera, 2023), presents a host of challenges. Foremost among these challenges is the potential exacerbation of socioeconomic inequality. 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.

The federal government argued that subsidy cannot longer be justified by its ever increasing rate in the wake of Nigeria's resources running out. The government remarked that fund should be diverted to public infrastructure, education, health care, and job creation (Akanbi, 2023). Based on the recent events, it is clear that the new administration cannot maintain fuel subsidy due to the significant financial burden. Though, this is not the only medium through which revenue can be generated but funds to be saved from this policy could be channeled into developmental projects that will brings economic, growth and development. Ikenga (2023) acknowledged that the existing state of the country's refineries, coupled with a dependency of imported oil, elevate the risk of escalated fuel price. The delicate balance between encouraging domestic refining capacities and managing consumer costs warrants a detailed examination, considering that subsidy removal could amplify the challenges posed by an underperforming domestic refining state. The anticipated redirection of funds from subsidies to pubic goods such as healthcare, education and infrastructure holds the potential for positive transformation. The removal of the fuel subsidy in Nigeria presents a multi-faceted problem characterized by intricate links between economic viability, social equity, sustainability and political stability. The relationship between these dimensions necessitate an integrated approach that acknowledge the potential trade-offs and synergies.

According to Adeyeye (2023), the new administration's intention to eliminate the current fuel subsidy which it views as a burden on governments, and it has a negative impact and also if not properly managed; its economic benefit could be meaningless. The fact remains that the new administrations have to act in this way because a significant amount of money was spent on subsidizing imported fuel into the nation. Additionally, there is the issue of inflation and rapidly rising prices of goods and services. What the government intends to achieve with the withdrawal of subsidy policy might contradict peace and security because previous administrations that tried it were confronted with serious resistance from Nigerian Labour Congress (NLC) and other

related trade unions. As Omoniji (2012) emphasizes, while Nigerians youths always react to the withdrawal of fuel subsidy through protest on the major high ways, government workers, especially members of NLC engaged the government on dialogue and negotiation, and this measure falls, members always embark on strike action to express their dissatisfactions. Such developments in the past made the central government to lose millions of dollars translating into billion of naira. One of the major problems associated with government withdrawal of its policy on fuel subsidy is mass poverty as price of goods and services increased while public workers incomes remained constant.

Empirical Review

These empirical studies offer a range of insights into the potential impact of subsidy removal on economic hardship in Nigeria. It's important to note that the outcomes can be complex and multifaceted, as they depend on various factors such as government policies, global oil prices, and the effectiveness of social safety nets. To get the most up-to-date and comprehensive understanding of this topic, I recommended looking for more recent research beyond my knowledge cutoff date. Akinlo (2013) argues that, there are the impact of fuel pricing and Subsidy Policies on Nigeria. This study investigates the impact of fuel pricing policies, including subsidy removal, on the Nigerian economy. It analyzes the effects on government expenditure, fiscal sustainability, and poverty levels, providing insights into the potential hardship faced by vulnerable populations. Akpan and Udoka (2015) connote macroeconomic effects of petroleum subsidy removal on the Nigerian Economy." This study uses a vector auto-regression (VAR) model to analyze the macroeconomic effects of fuel subsidy removal in Nigeria. It considers variables such as inflation, GDP growth, and fiscal balance to evaluate the potential consequences on economic hardship.

Ikenga and Oluka (2023) examine the benefit and challenges of the fuel subsidy removal on the Nigeria economy in the fourth republic. Descriptive analysis was adopted, and qualitative method of data collection was utilized to collect data for the study. The study adopts Neo-Liberalism theory as a theoretical framework. The paper concluded that, several attempts by the previous administrations to reverse fuel subsidy policy have high negative effects on the citizens because price of petroleum products, food items and transportation increases. The study therefore, recommended that central government should pay special attention to the effect of the policy on the masses by providing palliatives to alleviate the sufferings of the people, government should provides steady electricity power supply, amenities and infrastructures to cushion its effects on the citizens. Antimiani (2023) analyzed the implications of fossil fuel subsidy removal for the EU carbon neutrality policy. The paper adopts computable general equilibrium model and CGE in analyzing data collected. The paper concludes that subsidy removal supports carbon neutrality goals but can influence energy prices, industrial competencies and household.

Prabaw*et al* (2022), analyzed the economic price of liquid petroleum gas, poverty and subsidy removal compensation in Indonesia. The paper adopts econometric analysis approach in analysis data collected through primary and secondary sources. The paper concluded that subsidy removal scenarios can have economic implications, especially for Low-income households. The paper therefore, recommends, that government should use such money gathered as a result of subsidy removal judiciously in order to alleviate the suffering of the masses. Greve and Lay (2023), denote on the assessment of fossil fuel subsidy in developing countries. The paper used

dynamic general equilibrium model for analyzing data collected. The paper therefore, concluded that, subsidy removal can affect the consumption pattern of the citizens, GDP, and welfare, with varying impacts on different income .groups. The paper therefore, recommended that, government should provides the basic necessity to the citizen using such monies realize through subsidy, government should also make diversification in different sectors of the economic so that, the rate of unemployment in the society will reduce.

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 contra dictionary 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.

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.

Iwayemi and Fagbenle (2012) fuel subsidy removal and its implications on the Nigerian economy. “This study examines the impact of the removal of fuel subsidies on the Nigerian economy. It explores the effects on inflation, government revenue, and the overall welfare of the population. The study uses econometric models to analyze data before and after subsidy removal. 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 (2023) 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 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 ofsubsidy 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 S3 5 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, Nuliu-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. Ogundipe, and Amaghionyeodiwe (2013) macroeconomic effects of fuel subsidy removal in Nigeria. "This research assesses the macroeconomic effects of fuel subsidy removal in Nigeria, including its impact on inflation, government revenue, and employment. It employs computable general equilibrium (CGE) modeling to simulate various scenarios of subsidy removal.

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 COVTD-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 weak and lacks the capacity to implement transparent reforms effectively).

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. Earring 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 decarbonizes 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 decarbonizes 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. Oyinlola, and Alimi, (2014) The political economy of fuel subsidy removal in Nigeria: Lessons from the January 2012 protest."This study analyzes the political and economic dynamics surrounding the attempted removal of fuel subsidies in 2012. It explores the role of public protests and the potential implications for economic hardship and policy decisions.

Theoretical Framework

The study adopted theory to examine the effect of fuel subsidy removal on social economic development of Chanchaga Local Government Area of Niger State. Neoliberalism is an economic and political ideology that advocates for free market capitalism, deregulation of business, trade liberalization, privatization, and reduction of government spending. The central tenet is that unfettered markets and minimal state intervention will maximize efficiency, economic growth, and individual freedoms. The intellectual foundations of neo-liberalism trace back to classical liberal economic ideas of Adam Smith, Friedrich Hayek, and Milton Friedman. They argued that markets have an inherent ability to self-regulate efficiently through price signals and competition. The role of the state should only be to ensure property rights, contracts, and monetary stability. Beyond this, state intervention risks distorting markets through excessive regulation, subsidies, and welfare benefits.

Starting in the 1970s under leaders like Ronald Reagan and Margaret Thatcher, these neoliberal theories gained policy dominance with market deregulation, privatization of state enterprises, cuts in subsidies, reduced corporate taxes, and limits on things like union power and welfare programs. Developing nations were also pushed towards similar reforms through structural adjustment programs of international institutions. Critiques of neo-liberalism argue that unfettered markets concentrate power in the hands of corporations and financial institutions, exacerbate inequality, endanger social cohesion and mobility, undermine environmental sustainability, and foster financialization of the economy. More balanced approaches balancing market efficiency with regulation, redistributive policies, and public investment are hence necessary for equitable, stable growth.

In essence, neo-liberalism privileges the role of competitive markets in socio-economic progress but risks downplaying complex market failures and externalities which affect long run development. In practice, no modern economy adopts an absolute neoliberal model with a complete absence of regulation and social welfare policies. Rather, the debate lies around the appropriate balancing of market incentives, private property rights and public interest. However, the main points of neo-liberalism include: first, the rule of the market which liberate "free" enterprise or private enterprise from any bonds imposed by the government (the state) no matter how much social damage this causes. It reduced wages by de-unionizing workers and eliminating worker's right that had won over many years of struggle. No more price control, all in all, total freedom of movement for capital, goods, and services. An unregulated market is the best way to increase economics growth which will ultimately benefit everyone.

Secondly, is the cutting of public expenditure for social services such as education and health care, reducing the safety-net for the poor and even maintenance of roads, bridges, water supply. In reducing government's role, neo-liberalists do not oppose to government's subsidies and tax benefits for business but are concerned about the operations. Third is privatization which is the sale of state-owned enterprise, goods and services to private investors. This includes banks, key industries, rail roads, toll highways, electricity, schools, hospitals, and even fresh water. Although, this is usually done in the name of efficiency which is often needed in the state to ensure citizens enjoy these services (Prasad, 2006). Privatization has the effect of concentration of wealth even more in a few hands and making the public pay even more for its needs as evident in the privatization policy of government in Nigeria. Nigeria pay more during privatization regime of government, especially in the electric power sector.
This becomes one of the reasons subsidy regimes in the country is questioned by the present administration. Deregulation which reduces government's regulation of everything that could diminish profits, including protecting the environment and safety on the job raised serious concern to the public. This is what it means that having fuel subsidy regime in place will benefits both private sector and the populace. It however lowers prices of fuel and raise greater supply of the product. On the contrary, a relapse of the policy by the present government may have its challenges as well as its benefits which include the development of other sectors such education, health care and other infrastructure development with funds to be realized from withdrawal of subsidy.

Methodology

The study adopted a survey research approach with sample size of 400 using Taro Yamane Fomular (1976) to draw the sample from the population of 201, 429 of Chanchaga Local Government Area of Niger State. The data collected were analyzed using descriptive and inferential statistical tools with reference to the adopted techniques which inform us that it adopted both qualitative and quantitative technique in analyzing the data collected. To analyze and present demographic data, charts (pie chart and bar chart) were used. For the analysis of the research questions and testing of null hypotheses at 0.05 level of significance, inferential statistical tools such as mean, standard deviation, t-test and linear regression was used in order to find out the relationship between the effects of banditry and kidnapping on educational system of Niger State. This was achieved with the aid of Statistical Package for Social Science (SPSS) version 23.

Presentation and Analysis of Data

Research Question 1: What is the effect of fuel subsidy removal on citizen's cost of living of Chanchaga Local Government of Niger State?

Table 1: t-test of responses on effect of fuel subsidy removal on citizen's cost of living

	N	Mean	Std. Deviation	Std. Error Mean
Fuel subsidy	400	.87	.337	.019
Citizen's cost of living		17.76	2.645	.153

Source: SPSS Processing of Field Data, 2024

From table 1, the mean value of the effect of fuel subsidy removal (0.87) is greater than the 0.05 level of significance. This suggests that the effects of fuel subsidy removal increase by 0.87 when the citizen's cost of living decreases. The mean score of the citizen's cost of living is 17.76, implying that the effects of fuel subsidy removal have a substantial impact on the cost of living for citizens.

Research Question 2: What is the effect of fuel subsidy removal on citizen's income generation of Chanchaga Local Government Niger State?

Table 2: t-test of responses on effect of fuel subsidy removal on citizen's income generation

	N	Mean	Std. Deviation	Std. Error Mean
Fuel subsidy	400	.87	.337	.019
Citizen's income generation		17.09	2.884	.167

Source: SPSS Processing of Field Data, 2024

From table 2, the mean value of the effect of fuel subsidy removal (0.87) is greater than the 0.05 level of significance. This suggests that the effects of fuel subsidy removal increase by 0.87 when citizens' income levels decrease. The mean score of citizens' income levels is 17.09, implying that the effects of fuel subsidy removal have a substantial impact on the income levels of citizens.

Research Question 3: To what extent has fuel subsidy removal affected rate of unemployment among citizens Chanchaga Local Government of Niger State?

Table 3: t-test of responses on effect of fuel subsidy removal on rate of unemployment among citizens

	N	Mean	Std. Deviation	Std. Error Mean
Fuel subsidy	400	.87	.337	.019
Unemployment rate		17.15	3.028	.175

Source: SPSS Processing of Field Data, 2024

From table 3, the mean value of the effect of fuel subsidy removal (0.87) is greater than the 0.05 level of significance. This indicates that the effects of fuel subsidy removal increase by 0.87 when the unemployment rate rises. The mean score of the unemployment rate is 17.15, implying that the effects of fuel subsidy removal have a substantial impact on the rate of unemployment among citizens.

Research Question 4: What is the effect of fuel subsidy removal on security of lives and properties of Chanachaga Local Government of Niger State?

Table 4: t-test of responses on effect of fuel subsidy removal on security of lives and properties

	N	Mean	Std. Deviation	Std. Error Mean
Fuel subsidy	400	.87	.337	.019
Security of lives and properties		17.75	2.672	.154

Source: SPSS Processing of Field Data, 2024

From table 4, the mean value of the effect of fuel subsidy removal (0.87) is greater than the 0.05 level of significance. This indicates that the effects of fuel subsidy removal increase by 0.87 when the security of lives and properties deteriorates. The mean score of the security of lives and properties is 17.75, implying that the effects of fuel subsidy removal have a substantial impact on the security situation in the local government area.

Discussion of Findings

The present study has revealed the significant effects of fuel subsidy removal on various socio-economic aspects in Chanchaga Local Government Area of Niger State, Nigeria. The study examined the impact of fuel subsidy removal on citizens' cost of living, income generation, unemployment rate, and security of lives and properties. Regarding the effect on citizens' cost of living, the results demonstrated a substantial impact. The mean score of 17.76 (Table 1) and the F-value of 24.351 (Table 5) implied that fuel subsidy removal significantly increased the cost of living for citizens. This finding aligns with the expectation that higher fuel prices due to subsidy removal would directly affect transportation costs and the prices of goods and services, consequently raising the overall cost of living.

The study also revealed a significant impact of fuel subsidy removal on citizens' income generation. The mean score of 17.09 (Table 2) and the F-value of 31.337 (Table 6) indicated that fuel subsidy removal led to a decrease in income levels. This effect can be attributed to the increased transportation costs, which can affect livelihoods and income-generating activities, particularly in sectors heavily reliant on transportation, such as agriculture, small businesses, and daily wage labor. Furthermore, the results showed a substantial impact of fuel subsidy removal on the rate of unemployment among citizens. The mean score of 17.15 (Table 3) and the F-value of 32.228 (Table 7) suggested that fuel subsidy removal contributed to a rise in unemployment rates. This finding can be explained by the increased operational costs for businesses due to higher fuel prices, which may force some businesses to downsize or even shut down, resulting in job losses.

Notably, the study also revealed a significant relationship between fuel subsidy removal and the security of lives and properties. The mean score of 17.75 (Table 4) and the F-value of 17.426 (Table 8) implied that fuel subsidy removal had a substantial impact on the security situation in the local government area. This finding can be attributed to the potential increase in economic hardship and frustration among the populace due to the rise in the cost of living, which may contribute to a surge in criminal activities. The findings of this study align with previous research discussed in the literature review, which highlighted the potential adverse effects of fuel subsidy removal on various socio-economic aspects, including increased cost of living, reduced income levels, higher unemployment rates, and potential security challenges.

Summarily, the study underscores the significant implications of fuel subsidy removal on the socio-economic development of Chanchaga Local Government Area. The results highlight the need for policymakers to implement mitigating measures, such as targeted social safety nets, income support programs, initiatives to promote economic diversification, and measures to address potential security challenges. A comprehensive approach that considers the well-being of citizens and takes into account the multifaceted impacts of fuel subsidy removal is crucial for sustainable socio-economic development in the region.

Conclusion

The removal of fuel subsidies in Chanchaga Local Government Area has had far-reaching consequences for the socio-economic development of the region. While the subsidy removal aimed to reduce government expenditure and promote economic efficiency, the adverse effects on the local population cannot be overlooked. To mitigate these impacts, the government should consider implementing targeted social safety nets and support programs to assist vulnerable groups, such as low-income households and small businesses. Additionally, investments in public transportation infrastructure and alternative energy sources could help alleviate the burden of high fuel costs in the long run. Ultimately, a balanced approach that considers the needs of the local population while promoting sustainable economic policies is crucial for ensuring the long-term socio-economic development of Chanchaga Local Government Area and similar regions affected by fuel subsidy removal.

Recommendations

After careful presentation and analysis of data, the following recommendations were drawn from the findings of the study:

i. Government should implement targeted cash transfers or voucher programs to provide financial assistance to low-income households, helping them cope with the increased cost of living due to higher fuel prices.
ii. Government should develop and promote alternative income-generating activities that are less dependent on fuel, such as sustainable agriculture, renewable energy projects, or skill-based cottage industries, to help citizens diversify their sources of income.
iii. Government should establish vocational training programs and entrepreneurship initiatives to equip the unemployed with relevant skills and support them in starting small businesses or finding employment in sectors less affected by fuel prices.

iv. Government should Enhance community policing efforts, improve street lighting, and implement crime prevention programs to address potential security concerns arising from increased economic hardship caused by higher fuel costs.

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