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Original Research Article

Fuel Subsidy Removal and Household Expenditure: A Study of Some Selected Households in Ukanafun L.G.A

ThankGod Sabbath Etim[1*], Edidiong Effiong Ukpong[1], Utibeabasi Ubong Ekpe[1], Idara Edet Ekanem[1]

[1] Department of Public Administration, Akwa Ibom State University, Obio Akpa Campus, Nigeria.

Correspondence should be addressed to: uforoeyo2023@gmail.com

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Abstract: The removal of fuel subsidies has created significant challenges for the people of Nigeria. Ever since the president announced this change, we've seen a sharp increase in the prices of goods and services across the country, hitting households hard, especially in Ukanafun Local Government Area of Akwa Ibom State. Unfortunately, it's the most vulnerable among us who are feeling the brunt of this situation. This study aimed to explore how the removal of fuel subsidies has impacted household spending in Ukanafun. We focused on two key areas: the rising cost of food and the soaring transportation fares. Using a survey research design, we gathered data from a population of 376,643 selected households in Ukanafun, ultimately sampling 400 of them through stratified and simple random sampling techniques. We analysed the data collected from both primary and secondary sources using simple regression analysis with the SPSS statistical tool. The results showed a significant negative impact of fuel subsidy removal on household feeding in Ukanafun, as well as on transportation costs. Based on these findings, we recommend that the Federal Government of Nigeria take immediate action by implementing agricultural support programmes to boost food production, which could help alleviate the effects of the subsidy removal and lower food prices in Ukanafun. Additionally, it's crucial for the government to focus on revitalising the nation's petroleum sector through effective policies and regulations, which could help bring down petrol prices and, in turn, reduce transportation fares in Ukanafun Local Government Area.

Keywords: Fuel Subsidy Removal, Household Expenditure, High Cost Of Transport Fare, High Cost Of Feeding, High Cost Of Children's School Fees.

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Introduction

A subsidy is essentially a helping hand provided to individuals, businesses, or institutions, often by the government. It can come in two forms: direct, like cash payments, or indirect, such as tax breaks. The main goal of a subsidy is to alleviate some kind of burden, and it's usually seen as beneficial for the public good, aimed at promoting social welfare or supporting economic policies. Think of a subsidy as financial support or an economic boost that the government offers to encourage certain activities. This can help keep prices low, support the income of key producers, maintain employment levels, or stimulate investment to reduce unemployment. In simple terms, it's any government action that allows a business to earn more profits than it would without that support (El-Said, 2006). Most subsidies are designed for producers, or they're distributed as subventions within an industry to prevent it from failing. For instance, wage subsidies can motivate businesses to hire more workers. Subsidies also help boost exports, lower living costs for various goods, especially in urban areas and promote agricultural growth to achieve food self-sufficiency (Ajayi, 2016).

In Nigeria, fuel is considered an inelastic good, meaning that both supply and demand are quite rigid; users find it tough to switch to alternatives for their daily fuel needs. Hydroelectric power and dams often prove unreliable, and there aren't many substitutes available, like electric trains or solar-powered appliances. Additionally, fuel subsidies affect all other factors that influence transport rates and prices (Eze, 2019). Fuel subsidy refers to the government's practice of covering part of the costs that consumers would typically pay for petroleum products, helping to ease the financial burden. This government initiative aims to reduce the prices of petroleum products, including Premium Motor Spirit (PMS) and Automotive Gas Oil (AGO/Diesel). volatility of crude oil prices on the global market. Oil-producing nations including Venezuela, Iran, Saudi Arabia, Egypt, Burma, Malaysia, Kuwait, China, Taiwan, South Korea, Trinidad and Tobago, and Brunei, as well as several non-oil-producing nations like Chad, Cameroon, Niger, etc., are major consumers of fuel subsidies (Centre for Public Policy Alternatives, 2023).

On May 29, 2023, during the inauguration of Nigerian President Ahmed Bola Tinubu, he declared that the "fuel subsidy" would be completely eliminated, claiming that the programme has "increasingly favoured the rich more than the poor." He further stated that with resources running out, the subsidies could no longer be justified by its ever-rising expenses. Instead, the money will be rerouted to support greater investments in jobs, public infrastructure, healthcare, education, and other areas that will significantly enhance the lives of millions of people (Yusuf, 2023). The removal of the fuel subsidy no doubt has had an adverse effect on households in Ukanafun Local Government Area of Akwa Ibom State.

Statement of the Problem

The decision by Nigerian President Ahmed Bola Tinubu to remove fuel subsidies during his inauguration on May 29, 2023, has significantly worsened the struggles many people face. With everyone relying on the same market, countless households have felt the impact. This withdrawal has triggered a domino effect, leading to inflation, hyperinflation,

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and stagflation. As a result, food prices have skyrocketed, making it increasingly difficult for families to afford three meals a day. While the aim of removing fuel subsidies in Nigeria was to tackle fiscal imbalances and encourage economic sustainability, the reality has been a wave of socio-economic challenges across various communities, including Ukanafun Local Government Area in Akwa Ibom State. One of the most immediate and noticeable consequences of this policy change has been the steep rise in transportation fares, which directly affects how households manage their budgets. In a rural area like Ukanafun, where getting to essential services, markets, schools, and health facilities often requires travelling between communities, transportation costs take up a large chunk of daily expenses. The removal of the fuel subsidy has brought a lot of hardship to the people in Ukanafun, with transport fares increasing by over 50% compared to previous rates. This surge is believed to have severely impacted the livelihoods of many families in Ukanafun L.G.A. of Akwa Ibom State.

There's been a lot of concern about the soaring cost of living since President Bola Ahmed Tinubu took office in Nigeria. Some scholars have pointed out that "from the moment President Tinubu assumed his role and made the rather abrupt decision to remove the fuel subsidy right after being sworn in, life has become increasingly difficult. The cost of living has shot up to unprecedented levels, and the naira has seriously lost its value." The problem with this analysis is that, while Nigerian households are indeed struggling due to the subsidy removal, the government acted without implementing any measures to cushion the blow for families. Additionally, despite existing research, there's a noticeable gap in empirical data on how the removal of the fuel subsidy has affected household spending in Ukanafun Local Government Area of Akwa Ibom State. This study aims to fill that gap, providing valuable insights for stakeholders to help address the challenges facing households in Ukanafun.

Objective of the study

The main objective of this study was to investigate the effect of fuel subsidy removal on the expenditure of some selected households in Ukanafun Local Government Area of Akwa Ibom State.

The specific objectives of this study were:

1. To investigate the effect of fuel subsidy removal on the cost of feeding of selected households in Ukanafun Local Government Area of Akwa Ibom State.
2. To examine the effect of fuel subsidy removal on transport fare of the selected households in Ukanafun Local Government Area of Akwa Ibom State.

Research Questions

The following are the research questions of the study;

1. What is the effect of fuel subsidy removal on the cost of feeding of selected households in Ukanafun Local Government Area of Akwa Ibom State?
2. What is the effect of fuel subsidy removal on transport fare of the selected households in Ukanafun Local Government Area of Akwa Ibom State?

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Research Hypotheses

The following are the hypotheses of this study:

- **H_0:** There is no significant effect of fuel subsidy removal on the cost of feeding of selected households in Ukanafun Local Government Area of Akwa Ibom State.
- **H_0:** There is no significant effect of fuel subsidy removal on transport fare of the selected households in Ukanafun Local Government Area of Akwa Ibom State

Conceptual Explorations

Fuel Subsidy Removal

Fuel Subsidy Removal (FSR) refers to the elimination of the financial support that the federal government provides to help its citizens buy fuel at more affordable prices. This intervention, known as fuel subsidies, works by lowering petrol prices through direct financial assistance to oil companies, ultimately making it cheaper for consumers. As a major crude oil producer in Africa, Nigeria's economy heavily relies on this resource. Fuel subsidies have been a part of Nigeria since the 1970s, with the government stepping in to help cushion the blow of rising global oil prices by offering fuel to citizens at below-market rates. The formal establishment of fuel subsidies came in 1977 with the Price Control Act (PCA), which prohibited the sale of certain goods, including gasoline, at prices higher than the regulated amount. This regulation was introduced by Olusegun Obasanjo's military regime to combat the effects of the global inflation crisis of the 1970s, which was driven by soaring energy prices (Ogwutum, 2023).

Obi (2023) boldly claimed that fuel subsidies are essentially a form of organised crime, suggesting that their removal could benefit Nigerians significantly. He argued that many were essentially siphoning off the nation's resources and backed this up with statistics showing that Nigerians don't consume as much petroleum as is often claimed. However, he criticised the abrupt removal of the petrol subsidy without any plans to alleviate the hardships faced by the populace. He stressed that the reduction of subsidies has led to significant suffering and challenges for Nigerians, urging the government to implement various relief measures to help mitigate the adverse effects of this decision.

Household expenditure

Household spending refers to the total amount of money that families spend on their daily needs, covering everything from food and clothing to housing (like rent), energy, transportation, durable goods (especially cars), medical expenses, leisure activities, and various services. Essentially, it's the cash outflow for goods and services that households require. According to the Office for National Statistics, household expenditure encompasses all spending on consumables, including food, non-food items, services, and other related costs. It's crucial to ensure that every household has the physical, social, and economic means to access sufficient food, affordable transportation, and reasonable school fees to meet their needs. This implies that households should have the knowledge and ability to either produce resources or procure food and cover transport and education costs sustainably. The removal of fuel subsidies hits the poor the hardest, worsening existing

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socio-economic inequalities. Even though Nigeria is rich in natural resources, many residents still struggle with poverty (Siddig et al., 2015; Adekoya, 2021).

The situation is further complicated by Nigeria's heavy dependence on oil exports, making the economy vulnerable to fluctuations in global oil prices (Obasi et al., 2017). Numerous studies have highlighted the negative effects of subsidy removal on household incomes, inflation, and overall economic health (Adenikinju, 2009; Ocheni, 2015). Additionally, cutting subsidies can disrupt budget planning, promote unnecessary spending, and widen the income gap, disproportionately affecting lower-income families (Siddig et al., 2015). While reducing subsidies might boost GDP, it often does so at the cost of welfare and household income (Agu et al., 2018). The impacts on production, transportation, and overall competitiveness are significant. Production, transportation, and general competitiveness are all impacted by the cost structure of the agriculture industry when fuel subsidies are eliminated (Okwuanya et al., 2015).

The problem is made worse by Nigeria's reliance on imported petroleum products, which puts the country's capital investments and balance of payments at risk (Adelabu, 2012). According to Abdulkareem and Abdulhakeem (2016), the removal of subsidies also upsets rural economies by limiting access to markets and preventing economic expansion.

Households high cost of feeding

Schneider et al. (2022) see it as affordability by calculating the cost of a shared versus individualised nutrient-adequate diet for entire households, rather than just individuals. For him, a household faces a high cost of feeding when only a small fraction can afford household-level nutrient-adequate diets where just 20% could afford the shared diet and 38% the individual diet in a family. He further stated that high cost of feeding is seen when low-income households spend a disproportionately large share of income on food.

Ogwutum (2023) asserted that high cost of feeding households refers to when healthy food costs significantly more per calorie than junk food, imposing a heavier financial burden on low-income families. High cost is defined through the ratio of the Cost of a Healthy Diet (CoHD) of the minimum per-person, daily cost of a diet meeting dietary guidelines to household income.

Household Transport fare expenditure

Transportation cost burden measures the percent of income a household spends on transportation. The cost of transportation, as well as the modes of transportation available and used, impact the total Naira that households spend on transportation. Transportation cost is a measure of transportation affordability. This analysis looks private and public transportation spending as a share of after-tax income, which best represents what a household has available to spend (Good & Jebbin, 2015).

It is impossible to overstate the significance of transportation in any area. Moving people and things from one location to another is referred to as transportation (Anyanwu et al., 2017). Transportation, according to Jebbin (2015), is a system for moving people,

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products, and raw materials both domestically and beyond, frequently using machinery that is powered by electricity. According to Okeafor (2024), it is frequently used to describe the movement of people and things from one location to another. The physical distribution activity that deals with the actual moving of commodities to their numerous clients is called a transportation service (Good, 2019).

Production cannot be accomplished without transportation; yet, it is considered accomplished when the ultimate customers receive the items. It is necessary for transportation systems to have more capacity and lower transportation costs. Because supplies, distribution networks, tariffs, wages, locations, marketing strategies, and fuel prices are always changing, all users- individuals, businesses, institutions, governments, etc must bargain or bid for the transfer of goods, people, information, and capital (Jean et. al., 2025).

Fuel Subsidy Removal and Cost of Feeding of Household

The removal of fuel subsidies can trigger a ripple effect across various sectors of the economy. It also raises the cost of living for families in Ukanafun L.G.A., Akwa Ibom State. For instance, a study by Anyanruoh pointed out that cutting subsidies could lead to higher fuel prices, which in turn would drive up the prices of food items (Inegbedion et al., 2020). These rising costs often get passed down to consumers, resulting in higher prices for goods and services, which diminishes households' purchasing power and affects their overall spending ability. Additionally, issues like corruption and inefficiencies in the management of subsidy policies can result in misallocated resources, benefiting a select few while leaving the general public at a disadvantage (Ray, 2023). This underscores the importance of effective governance and transparency in handling subsidy policies.

Research by Meludu, Komolafe, and Chilaka (2024) revealed that after the elimination of fuel subsidies in Southeastern Nigeria, the prices of essential items such as rice, beans, yam, garri, and tomatoes saw a significant increase. This inflation directly affects how affordable food is for households. In a 2025 econometric analysis, Jubril et al. (2025) found a strong positive correlation between food prices and petrol prices, showing that the loss of subsidies significantly raises food costs due to increased logistics and transportation expenses. Abang, Arasomwan, and Ayodele (2024) estimated that a 10% rise in gas prices leads to about a 5.6% increase in food inflation, which is further worsened by insecurity, adding another 2.3%. This illustrates how fuel price shocks impact household food expenses in Ukanafun L.G.A., Akwa Ibom State.

According to international development partners, more than 31.8 million Nigerians currently experience severe food shortages, in part because the elimination of fuel subsidies has increased food prices and transportation expenses. This is especially true for rural populations in the Niger Delta and Ukanafun L.G.A. The average cost of making one pot of jollof rice by June 2025 was ₦27,528 according to the "Jollof Index"—a 153% increase since March 2023. Transportation and energy expenses associated with the elimination of subsidies are important drivers. In Ukanafun L.G.A., Akwa Ibom State, such dramatic

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increases suggest that households are either reducing portion sizes, meal quality, or skipping meals entirely, which has been a detrimental impact of the subsidy reduction.

Fuel Subsidy Removal and Transport Fare of Households

A study by Umar and Umar (2013) assessed the direct welfare impact of fuel subsidy reform in Nigeria and found that the removal of fuel subsidy led to an increase in the price of petroleum products, which in turn led to an increase transport fare and equally increases cost of living for households in Nigeria and Ukanafun Local Government Area of Akwa Ibom State in particular. The study also found that the removal of fuel subsidy had a regressive effect on household income, as low-income households were more affected by the increase in the price of petroleum products than high-income households. The removal of fuel subsidies in 2023 is said to have particularly posed negative effect on transport fares leading to increase of transport fare of households in Ukanafun L.G.A., Akwa Ibom State (Akpan et. al., 2023).

Moreover, subsidies can exert a profound influence on the pricing dynamics within the transportation market, thereby shaping demand patterns and revenue generation for transporters. Subsidy-induced fare reductions or fare stabilisation measures can stimulate passenger demand, leading to increased ridership and revenue for transporters (Ogunleye & Adebola, 2018). Conversely, the removal or reduction of subsidies result in fare hikes, which deter some passengers and potentially reduce transporter revenues and most importantly vulnerable households of Ukanafun L.G.A extraction are severely affected.

Furthermore, the negative effect of fuel subsidy removal on transport fare of households in Nigeria extends beyond immediate financial and operational households' considerations to encompass broader socio-economic and environmental outcomes and challenges. It is worth noted that fuel subsidies play a pivotal role in promoting inclusive access to transportation services, particularly for underserved communities and marginalised populations (Ajayi & Adebayo, 2020). By ensuring affordable and accessible transportation options, subsidies contribute to social equity objectives while supporting economic development and mobility enhancement initiatives. The effect of fuel subsidy removal on the transport fares of households is a complex and multifaceted phenomenon that has affected various dimensions of activities of families in Ukanafun L.G.A., Akwa Ibom State.

Theoretical Framework:

Cost-Push Inflation Theory by Milton Friedman and Nicholas Kaldor (1950)

Cost-Push Inflation Theory, championed by economists like Milton Friedman and Nicholas Kaldor, sheds light on inflation as stemming from rising production and distribution costs rather than just an oversupply of consumer demand. The core idea is that when the costs of essential inputs think fuel, raw materials, or wages go up, producers and service providers tend to pass those extra costs onto consumers, resulting in higher prices. This, in turn, puts upward pressure on the overall price level, diminishing the purchasing

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power of households. Unlike demand-pull inflation, which is fueled by excessive consumer demand, cost-push inflation has its roots in the supply side of the economy.

This theory becomes particularly relevant when we look at the removal of fuel subsidies in Nigeria. When subsidies are lifted, the retail prices of petrol and diesel key components for transportation, electricity generation, and production skyrocket. In places like Ukanafun Local Government Area in Akwa Ibom State, which relies heavily on goods transported from other towns, the spike in fuel prices leads to immediate increases in transport fares and haulage charges. Farmers, traders, and service providers find名 themselves grappling with higher operational costs, which inevitably translates to increased prices for food, household items, and services. This domino effect perfectly illustrates the cost-push mechanism, where a single policy change in fuel pricing triggers widespread inflationary consequences. For families living in Ukanafun L.G.A, there's been a clear uptick in both daily and monthly spending. As the costs of essential goods and services continue to rise, households find themselves needing to dedicate a larger portion of their income just to cover basic necessities. This shift leaves them with less money for things like discretionary spending, savings, or even investing in health and education. In some instances, this results in changes to their buying habits like opting for cheaper, less nutritious food or delaying non-essential purchases. Therefore, the Cost-Push Inflation Theory not only sheds light on the immediate price increases that follow the removal of fuel subsidies but also helps us grasp the long-term effects on household welfare and spending habits.

Methodology

The design adopted in the study was survey research design. The population was made up of the projected population of Ukanafun L.G.A of Akwa Ibom State which is 376, 643 (NPC, 2025). Sample size was determined using Taro Yamani's formula (1964). The study sampled 400 respondents using stratified/ simple random sampling technique. Data were analysed and tested with simple linear regression to examine the research hypotheses. The respondents were selected from households across the five (5) clans of Ukanafun L.G.A of Akwa Ibom State.

Data Presentation, Analysis and Discussion of Findings

Presentation of Data on whether there is a negative effect of fuel subsidy removal on the cost of feeding of households in Ukanafun L.G.A., Akwa Ibom State.

Table 1: Statistical Analysis showing the effect of fuel subsidy removal on the cost of feeding in some selected households of Ukanafun L.G.A

Households Northern Afaha Clan	**Estimated Monthly feeding Expenses by Selected Household Before Subsidy Removal**	**Estimated Monthly feeding Expenses by Household after Subsidy Removal**
Family 1	N45,000.00	90,000.00
Family 2	40,000.00	80,000.00

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Family 3	38,000.00	76,000.00
Family 4	23,000.00	46,000.00
Southern Afaha Clan		
Family 1	35,000.00	70,000.00
Family 2	20,000.00	40,000.00
Family 3	22,000.00	44,000.00
Adat Ifang Clan		
Family 1	28,000.00	56,000.00
Family 2	44,000.00	88,000.00
Family 3	55,000.00	110,000.00
Northern Ukanafun		
Family 1	42,000.00	84,000.00
Family 2	43,000.00	86,000.00
Southern Ukanafun		
Family 1	52,000.00	103,000.00
Family 2	42,000.00	83,000.00
Family 3	26,000.00	47,000.00

Source: Field Survey (2026).

Presentation of Data on whether there is a negative effect of fuel subsidy removal on transport fare of households in Ukanafun L.G.A., Akwa Ibom State.

Table 2: Analyses showing the effect of subsidy removal on transport fare of households in Ukanafun L.G.A., Akwa Ibom State

Households Northern Afaha Clan	**Estimated Monthly Transport Expenses by Selected Household Before Subsidy Removal**	**Estimated Monthly Transport Expenses by Household after Subsidy Removal**
Family 1	35,000.00	70,000.00
Family 2	15,000.00	30,000.00
Family 3	22,000.00	44,000.00
Family 4	30,000.00	60,000.00
Southern Afaha Clan		
Family 1	21,000.00	42,000.00
Family 2	24,000.00	48,000.00
Family 3	28,000.00	56,000.00

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Adat Ifang Clan		
Family 1	18,000.00	36,000.00
Family 2	32,000.00	64,000.00
Family 3	19,000.00	38,000.00
Northern Ukanafun		
Family 1	25,000.00	50,000.00
Family 2	26,000.00	52,000.00
Family 3	51,000.00	102,000.00
Southern Ukanafun		
Family 1	41,000.00	82,000.00
Family 2	23,000.00	46,000.00

Source: Field Survey (2026).

Testing of Hypotheses:

Ho_1: There is no significant effect of Fuel subsidy removal on the cost of feeding of households in Ukanafun L.G.A., Akwa Ibom State.

Table 4. Regression analysis showing the results of Fuel subsidy removal on the cost of feeding of households in Ukanafun L.G.A., Akwa Ibom State.

Model Summary showing result of Fuel subsidy removal on cost of feeding of households.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.072[a]	.119	.074	.12120

Predictors: (Constant), Fuel subsidy removal

ANOVA[a] Regression analysis showing result of Fuel subsidy removal on cost of feeding of households in Ukanafun L.G.A, Akwa Ibom State

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	49.445	1	49.445	62.587	.6654[b]
	Residual	50.576	354	.790		
	Total	**100.021**	**355**			

a. Dependent Variable: cost of feeding of households
b. Predictors: (Constant), Fuel subsidy removal

Coefficients[a] showing result of Fuel subsidy removal on cost of feeding of households

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.170	.089		6.430	.6654

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	Fuel subsidy removal	.115	. 021	.072	12.827	.6654

a. Dependent Variable: **cost of feeding of households**

The hypothesis was measured at a 0.05 level of significance. If the p-value obtained in the analysis is less than 0.05 (i.e. p-value < 0.05), the null hypothesis will be rejected and alternative accepted but if the p-value obtained in the analysis is greater than 0.05 (i.e. p-value > 0.05), the null hypothesis will be accepted and alternative rejected

The model summary in table 4 shows an R- value of 0.072. This suggests a negative effect of fuel subsidy removal on cost of feeding of households in Ukanafun L.G.A, Akwa Ibom State. The R square- value of 0.119 shows that 11.9% variation in Fuel subsidy removal was accounted for by variations in cost of feeding of households. The ANOVA table shows that the regression model significantly predicts the dependent variable, with an F-value of 62.587 and a p-value of 0.6654. This suggests a negative and significant effect of fuel subsidy removal on cost of feeding of households. Additionally, the B-coefficient of 0.115 indicates that, holding other factors constant, a one-unit increase in cost of feeding of households is associated with a 0.115 unit increase in fuel subsidy removal.

Hypothesis Two:

Ho_2: There is no significant effect of Fuel subsidy removal on transport fare of households in Ukanafun L.G.A, Akwa Ibom State.

Table 5. Regression analysis showing result of Fuel subsidy removal on transport fare of households in Ukanafun L.G.A, Akwa Ibom State.

Model Summary of Fuel subsidy removal and Cost of transport fare

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.052[a]	.076	.071	.11220

Predictors: (Constant), Fuel subsidy removal

ANOVA[a] Regression analysis showing result of Fuel subsidy removal on cost of transport fare in Ukanafun L.G.A, Akwa Ibom State.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	49.445	1	49.445	62.587	.7550[b]
	Residual	50.576	354	.790		
	Total	**100.021**	**355**			

a. Dependent Variable: cost of transport fare
b. Predictors: (Constant), Fuel subsidy removal

Coefficients[a] of Fuel subsidy removal and Cost of transport fare

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.170	.089		6.430	.7550
	Fuel subsidy removal	.117	. 021	.052	12.827	.7550

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Dependent Variable: **cost of transport fare**

The hypothesis was measured at a 0.05 level of significance. If the p-value obtained in the analysis is less than 0.05 (i.e. p-value < 0.05), the null hypothesis will be rejected and alternative accepted but if the p-value obtained in the analysis is greater than 0.05 (i.e. p-value > 0.05), the null hypothesis will be accepted and the alternative rejected.

The model summary in Table 5 shows an R- value of 0.052. This result shows a negative effect of fuel subsidy removal on cost of transport fare in Ukanafun L.G.A., Akwa Ibom State. The R square- value of 0.076 shows that 7.6% of the variation in fuel subsidy removal was accounted for by the variation in transport fare. The ANOVA table shows that the regression model significantly forecasts the dependent variable, as evidenced by the F-value of 62.587 and its associated P-value of 0.7550. This implies that there is negative/ significant effect of Fuel subsidy removal. Also, the B-coefficient of 0.117 implies that, holding everything else constant, the model predicts a 0.117-unit increase in fuel subsidy removal given a unit increase on transport fare of households in Ukanafun L.G.A., Akwa Ibom State.

Discussion of Findings

Fuel Subsidy Removal and Feeding of Household

In the above analyses, it was found that in the Northern clan, there were seven (7) households whose monthly feeding expenses increased from N45,000.00 to N90,000.00; from N40,000.00 to N80,000.00; and from N39,000.00 to N78,000.00 as a result of the fuel subsidy removal. It could also be noted that in the Southern Afaha clan of Ukanafun L.G. A., there were other households whose monthly feeding expenses increased from N38,000.00 to N76,000.000, also from N23,000.00 to 46,000.00 as a result of government policy on fuel subsidy removal. Again, it was noted that in Adat Ifang Clan there were eight households whose monthly feeding expenses also increased from N35,000.00 to N70,000.00, from N20,000.00 to N40,000.00 and from N47,000.00 to N94,000.00 as a result of fuel subsidy removal. It was also noted that in the Southern Ukanafun clan of Ukanafun L.G. A., there were other households that suffered so much from fuel subsidy removal as their monthly bills rose from N22,000.00 to N44,000.00, from N28,000.00 to N56,000.00, and from N44,000.00 to N88,000.00 as a result of fuel subsidy removal. Furthermore, it was discovered that in the same clan, there were other households whose monthly expenses also rose highly from N55,000.00 to N110,000.00, also from N42,000.00 to N84,000.00 and from N43,000.00 to N86,000.00 as a result of fuel subsidy removal in Nigeria. Going by the above discovery, it was concluded that there is a negative/ significant effect of fuel subsidy removal on feeding of households in Ukanafun L.G. A., Akwa Ibom State.

Fuel Subsidy Removal and Transport Fare of Households

In the above analyses, it was discovered that in Northern Afaha clan, there were seven (7) households whose monthly transport expenses increased from N35,000.00 to N70,000.00, from N22,000.00 to N42,000.00, and from N15,000.00 to N30,000.00 as a result of the fuel subsidy removal. It could also be noted that there were other households

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whose monthly transport expenses increased from N30,000.00 to N60,000.000, also from N21,000.00 to 42,000.00 and from N24,000.00 to N48,000.00 as a result of government policy on fuel subsidy removal. Again, it was noted that in the Southern Afaha clan of Ukanafun L.G. A., there were other selected households whose monthly transport expenses also increased from N28,000.00 to N56,000.00, from N18,000.00 to N26,000.00 and from N32,000.00 to N64,000.00 as a result of fuel subsidy removal.

It was also noted that in Adat Ifang Clan of Ukanafun L.G. A., the eight selected households suffered so much from fuel subsidy removal as their monthly transport bills rose from N19,000.00 to N38,000.00, also from N25,000.00 to N50,000.00, and from N26,000.00 to N52,000.00 as a result of fuel subsidy removal. Furthermore, it was discovered that in the Northern Ukanafun clan, there were other households whose monthly expenses also rose highly from N51,000.00 to N102,000.00, also from N41,000.00 to N82,000.00 and from N23,000.00 to N46,000.00 as a result of fuel subsidy removal in Nigeria. Going by the above discovery, it was concluded that there is a negative/ significant effect of fuel subsidy removal on transport fare of households in Ukanafun L.G. A., Akwa Ibom State.

Conclusion

Based on the findings, the study concludes that the removal of fuel subsidy has made life more financially difficult for households in Ukanafun Local Government Area of Akwa Ibom State. The increase in the cost of transportation and feeding has placed additional pressure on household incomes, making it harder for many families to meet their everyday needs. The study therefore concludes that fuel subsidy removal has a **significant negative effect on household expenditure,** particularly by increasing the amount households spend on feeding and transportation.

Recommendations

Based on the results of the findings, the following recommendations were made;

1. The Federal Government of Nigeria should intervene through agricultural support such as back to farm and local farmers initiative programmes to increase food sufficiency in the country, as this will help to cushion the effect of fuel subsidy removal and reduce the cost of food items in Ukanafun Local Government Area of Akwa Ibom State.
2. The Federal Government of Nigeria should work towards revamping the Nation's petroleum sector through rightful policy initiatives and regulations as this will help to reduce the petrol price and reduce the transport fare in Ukanafun Local Government Area of Akwa Ibom State.

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