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THE POLITICAL ECONOMY OF FUEL SUBSIDY REMOVAL: GOVERNANCE AND SUSTAINABLE DEVELOPMENT IN NIGERIA

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Abstract:
The removal of fuel subsidies in Nigeria has sparked significant debates regarding its impact on governance, economic sustainability, and public welfare. This study examines the governance dynamics influencing subsidy removal and its economic implications for long-term development. Utilizing a quantitative approach, the research collected data from 385 respondents in Bida, Niger, and employed a binary logit regression model to analyze the economic, social, political, and external factors influencing policy outcomes. The findings suggest that while subsidy removal aims to reduce fiscal pressure and enhance economic efficiency, it has triggered inflation, disproportionately affecting low-income households and exacerbating economic inequality. The social consequences include heightened public dissatisfaction due to rising transportation and living costs, with government palliatives failing to sufficiently alleviate economic hardship. Politically, subsidy removal has undermined trust in the government due to concerns about corruption and misallocation of funds. The study highlights the need for a transparent framework to manage subsidy savings, accompanied by comprehensive social welfare policies to mitigate negative impacts. Policy recommendations include targeted subsidies for vulnerable groups, improved public transportation, and increased government transparency to rebuild public trust and ensure sustainable economic reforms.

Keywords: ***Fuel Subsidy, Governance, Sustainable Development, Nigeria, Economic Policy***

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INTRODUCTION

Governments around the world often use subsidies to stabilize energy prices, especially for fossil fuels, to shield consumers from price fluctuations. However, the role of subsidies in economic policy remains controversial, with ongoing debates about their impact on various sectors, including rural economies, fiscal

flexibility, environmental sustainability, and national political stability (Coxhead & Grainger, 2018; Yusuf et al., 2017). While some scholars argue for the reduction of subsidies as a policy goal, others, such as Skovgaard and van Asselt (2019) and Timperley (2021), emphasize that once subsidies are implemented, they become deeply ingrained and challenging to eliminate.

The volatility of global oil prices over the last few decades has had a significant effect on energy policy decisions worldwide. Between 2003 and 2008, oil prices tripled before crashing, only to rise again toward the end of 2008. From June 2014 to May 2020, oil prices dropped sharply, from $105 per barrel to $31. However, geopolitical events, particularly the conflict in Ukraine, caused prices to surge again, reaching $114 per barrel in July 2022. In 2023, prices averaged $80.5 per barrel (Bao-We, Chadi, & Joaquin, 2024). These fluctuations have significant implications for global economic stability and sustainability.

In Nigeria, the issue of fuel pricing is especially sensitive, given the country's heavy reliance on the oil industry for its economic growth for nearly five decades (Adelabu, 2023). The removal or modification of fuel subsidies has profound economic consequences, including inflation, reduced purchasing power, and broader economic instability. With a large portion of the population living on low incomes and facing inadequate infrastructure in sectors like transportation and energy, changes in fuel prices have a direct impact on daily life.

In response to rising oil prices since 2003, several governments, including Nigeria's, have implemented gasoline subsidies to protect vulnerable households. Globally, fuel subsidies have grown substantially, with the total amount rising from 5.4% of global GDP in 2015 to 7.1% in 2022 (Black et al., 2023). This increase has intensified debates about the economic efficiency and environmental sustainability of subsidies, putting pressure on governments to reform fuel subsidy programs and alleviate fiscal burdens.

For Nigeria, the fuel subsidy program has historically resulted in some of the lowest fuel prices worldwide. However, this has come at a high financial cost. In 2019, the Nigerian government spent NGN 532 billion ($1.7 billion) on fuel subsidies, which accounted for 0.4% of the country's GDP (IEA, 2020). By 2022, this expenditure had increased to NGN 4.39 trillion ($9.7 billion), representing 2.2% of GDP, surpassing the combined budgets for health, education, and social protection (World Bank, 2023). In 2023, fuel subsidy spending reached NGN 1.8 trillion, marking a 55% increase from the previous year before the government announced the removal of the subsidies (Okafor, 2023). These figures highlight the

instability and unsustainable nature of Nigeria's fuel subsidy scheme, underscoring the urgent need for reform.

Fuel subsidies, while disproportionately benefiting wealthier individuals who use more fuel, also hold symbolic and practical significance for poorer communities, who spend a larger share of their income on energy. As a result, the withdrawal of subsidies often faces strong opposition, particularly in countries where public trust in the government's ability to redistribute savings is low. In Nigeria, the removal of subsidies in 2023, intended to address fiscal imbalances, has resulted in significant economic hardship, with rising fuel prices leading to inflation and higher living costs. The naira has lost 70% of its value against the US dollar since mid-2023 (Adeoye, 2024), exacerbating the economic strain. The IMF's recent reports suggesting a partial return of subsidies, termed "implicit fuel subsidies" (IMF, 2024), point to underlying issues in the implementation of subsidy reforms, transparency, and governance.

The removal of fuel subsidies in Nigeria has historically been a highly contentious issue, leading to public protests and resistance from civil society. Successive administrations have struggled to implement subsidy removal plans due to widespread opposition. This policy is often seen as exacerbating economic difficulties for ordinary Nigerians, especially low- and middle-income households that depend on affordable fuel for their daily needs (Uko, Etefia, & Ebong, 2024). This ongoing debate highlights the complex challenge of balancing economic reforms with social welfare in Nigeria.

Despite extensive discussion on fuel subsidies in Nigeria, most of the existing research has focused on their economic impact, with little attention given to the broader sociopolitical factors that shape subsidy policy. Scholars such as Adelabu (2023) and the World Bank (2023) emphasize the fiscal burden and inefficiencies of subsidies, but there has been limited exploration of the political economy of subsidy retention and removal. Moreover, there is a lack of systematic studies on how the reduction of subsidies affects public trust in government and sociopolitical stability, particularly in oil-producing nations.

This paper seeks to fill this gap by providing a comprehensive analysis of Nigeria's fuel subsidy program, considering not only its economic effects but also its political and social implications. The study will explore how governance, political trust, and public perceptions influence subsidy reforms, thereby advancing our understanding of the challenges and opportunities in energy policy transitions. The findings will offer valuable insights for policymakers seeking to

implement sustainable fuel pricing strategies while minimizing adverse social consequences.

LITERATURE REVIEW

Fuel subsidies are defined as government measures designed to reduce the cost of consumer products below market levels or to maintain producer prices above market rates. These subsidies can take various forms, such as direct price controls, grants, tax exemptions, and price regulations. They can also have indirect effects, including the introduction of market laws that favor certain products or support for research and development (Adebiyi, 2011). Governments typically use subsidies to promote economic goals, such as fostering innovation, supporting new industries, or protecting local manufacturers from international competition. In addition, subsidies may be directed toward social welfare objectives, making essential commodities and services more affordable for low-income or marginalized populations (Gana, Rabi, & Nura, 2024). In certain cases, subsidies are also aimed at addressing environmental concerns, including the promotion of renewable energy sources or reducing carbon emissions. Overall, subsidies play a significant role in shaping national economic policies and in supporting various sectors of the economy.

Governance, while primarily the domain of the state, extends beyond public sector entities to include the corporate sector and civil society organizations. The state's role in governance is crucial, as it sets the legal framework and policies that guide interactions among different societal actors. Governance encompasses not only the decision-making processes of the state but also the mechanisms used by various actors to manage resources and provide services to citizens. Effective governance requires clear policy direction, accountability, and transparency, particularly in complex sectors like energy and fuel pricing.

Sustainable development (SD) is commonly defined by the Brundtland Commission as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Cerin, 2006; Dernbach, 2003; Stoddart, 2011). This definition emphasizes the integration of economic, environmental, and social concerns throughout the decision-making process. Sustainable development seeks to balance economic growth with environmental preservation and social equity, promoting intergenerational equity by managing resources in a way that benefits both present and future generations (Gana, Rabi, & Nura, 2024).

Gana, Rabi, and Nura (2024) investigated the implications of fuel subsidy removal on Nigeria's sustainable development using an exploratory research design with qualitative data collection methods. They applied human capital theory to assess the direct and indirect economic consequences of subsidy removal, including inflationary pressures, fiscal sustainability, and increased poverty levels. Their findings highlight the social unrest and protests that often accompany subsidy removals, stressing the importance of transparency and accountability in managing the funds saved from subsidies. They also emphasize the need for the government to address issues like hunger, unemployment, and declining living standards as part of the reform process.

Ikenga and Oluka (2023), as cited in Abu Idris et al. (2024), examined the benefits and challenges of fuel subsidy reduction in Nigeria under the Fourth Republic. Their research, grounded in neoliberalism theory, employed a descriptive analysis to explore the economic and social consequences of fuel subsidy reforms. They found that past attempts to reduce subsidies resulted in higher costs for petroleum products, food, and transportation, disproportionately affecting the poor. They advocate for the central government to implement palliative measures and improve infrastructure to mitigate the adverse effects of subsidy removal on the population.

Antimiani (2023) analyzed the effects of fossil fuel subsidy elimination in the European Union, with a focus on carbon neutrality goals. Using a computable general equilibrium (CGE) model, the study found that while subsidy removal supports the transition to carbon neutrality, it also leads to higher energy costs, reduced industry competitiveness, and increased financial strain on households.

Obasi et al. (2023) examined the political economy of fuel subsidy removal in Nigeria, exploring both the benefits and drawbacks. Their research uncovered the pervasive corruption in Nigeria's oil sector and its detrimental impact on economic progress. While their study provides a thorough political analysis, it does not delve into specific corruption incidents or their immediate economic impacts. The report calls for refinery revitalization and anti-corruption measures but lacks concrete policy recommendations for achieving these objectives.

Greve and Lay (2023) applied a dynamic general equilibrium model to analyze the impacts of fuel subsidy removal in developing countries. They argue that removing subsidies shifts consumption patterns, influences GDP, and affects different income groups in varied ways. However, their findings focus primarily on macroeconomic dynamics, neglecting the governance challenges that Nigeria faces in implementing subsidy reforms. Unlike Gana et al. (2024), who focus on poverty

alleviation, Greve and Lay (2023) concentrate on broader economic outcomes without addressing specific strategies to mitigate the negative effects on vulnerable populations.

Similarly, Prabaw et al. (2022) investigated the effects of liquid petroleum gas subsidy removal in Indonesia using econometric methods. They found that subsidy elimination disproportionately harms low-income households and recommended the strategic allocation of saved funds to alleviate economic distress. However, their policy suggestions assume efficient governance, which contrasts sharply with Nigeria's political and economic context, characterized by corruption and policy inconsistencies.

Omotosho (2019) conducted a detailed analysis of the macroeconomic effects of oil price shocks and fuel subsidies in Nigeria, using a New-Keynesian DSGE model. His findings indicate that oil price shocks significantly influence Nigeria's economic output, with fuel subsidies mitigating some of the negative impacts on GDP. However, eliminating subsidies would reduce the negative effects on GDP and headline inflation. His study emphasizes the need for comprehensive reforms, including targeted safety nets and long-term adjustment strategies, which differ from Ikenga and Oluka's (2023) focus on short-term welfare measures.

A critical review of existing literature reveals several gaps, particularly in the areas of governance, policy transitions, and sustainable development considerations regarding fuel subsidy removal in Nigeria. While Gana et al. (2024) and Obasi et al. (2023) focus on the social and economic impacts, they lack a detailed exploration of governance frameworks to ensure the transparent and effective utilization of savings from subsidy removals. Ikenga and Oluka (2023) advocate for palliative measures but do not propose long-term structural adjustments. Greve and Lay (2023) and Omotosho (2019) provide valuable macroeconomic insights but neglect the crucial role of political institutions in shaping the effectiveness of policy reforms.

Moreover, international perspectives like those of Antimiani (2023) and Prabaw et al. (2022) offer important insights but fail to fully address the unique socio-political and economic challenges faced by Nigeria. These gaps underline the necessity for an integrative study that combines governance, policy reform, and sustainable development objectives, addressing both immediate economic impacts and the structural factors driving subsidy removal in Nigeria.

Political Economy of Fuel Subsidy Removal in Nigeria

The removal of fuel subsidies in Nigeria has profound implications for fiscal policy, public welfare, and economic restructuring. Historically, subsidies have been implemented to help Nigerians cope with the high cost of petroleum products. However, the inefficiencies and financial burden associated with the subsidy program have raised doubts about its long-term sustainability. In 2024, President Bola Tinubu's administration proceeded with the removal of subsidies, which resulted in a dramatic rise in fuel prices, exacerbating inflationary pressures and increasing the cost of living (Reuters, 2024).

While the administration defended the move as a necessary reform to free up resources for critical industries, the immediate social consequences have been severe. Studies show that 73% of Nigerians reported increased spending following the subsidy removal, highlighting the economic strain on households (Statista, 2023). Public opinion remains divided, with 55% of Nigerians supporting the policy and 45% opposing it (Statista, 2023), reflecting the difficulty in reconciling economic reforms with the welfare needs of the population. These tensions underscore the complex political economy surrounding subsidy reform in Nigeria.

Governance Factors Shaping Fuel Subsidy Removal in Nigeria

The governance factors influencing the fuel subsidy removal process in Nigeria are multi-faceted. President Bola Tinubu's administration has taken decisive steps to remove subsidies despite significant opposition, marking a shift from the hesitation and resistance seen under previous administrations (Uko, Etefia, & Ebong, 2024). Public protests against subsidy removal highlight the challenge of balancing necessary economic reforms with the need to preserve social order and mitigate the negative impacts on vulnerable populations. Additionally, political elites and interest groups, particularly within the oil sector, play a crucial role in shaping subsidy policy, often complicating reform efforts (Aminu & Ramatu, 2022).

Fiscal pressures and the need for resource reallocation have also driven the push for subsidy removal. With fuel subsidies consuming a large portion of the national budget, there is an urgent need to reallocate funds to critical sectors like healthcare and infrastructure (International Monetary Fund, 2023). However, the success of this policy shift depends on the government's ability to implement transparent governance frameworks and safeguard the welfare of the public through effective social protection measures (BudgIT, 2023; Ajakaiye & Fakiyesi, 2019).

METHOD

This study employs a quantitative economic analysis to assess the impact of fuel subsidy removal in Nigeria. Data were collected through structured questionnaires administered to individuals directly impacted by the policy change. The study focuses on Bida, Niger State, which has an estimated population of 400,000 (NPC, 2024). Using the SurveyMonkey sample size calculator, a representative sample of 385 respondents was determined, based on a 95% confidence level and a 5% margin of error. This ensures a statistically valid sample for analyzing the effects of subsidy removal on the population, offering robust insights within the set confidence and error limits.

Bida was selected as the study location due to its economic and demographic relevance in understanding the broader impact of subsidy removal in Nigeria. As a major commercial hub in Niger State, Bida represents a microcosm of Nigeria's informal economy, with sectors such as agriculture, trade, transportation, and small-scale industries. The town's dependence on fuel for business operations and transportation makes it an ideal case for examining the effects of subsidy removal on cost of living, business activities, and household income.

The study adopts a model considering economic, social, political, and external factors, as these elements collectively influence the decision-making process surrounding fuel subsidy removal. The model is as follows:

$$SD = \beta_0 + \beta_1 EF_i + \beta_2 SF_i + \beta_3 PF_i + \beta_4 EI_i + U_i \quad \ldots (1)$$

A binary logit regression technique will be employed to analyze the likelihood of each factor influencing subsidy removal, formulated as:

$$\text{Logit (SD)} = \ln\left[\frac{P}{1-P}\right] = \alpha + \beta_1 EF_i + \beta_2 SF_i + \beta_3 PF_i + \beta_4 EI_i + U_i \quad \ldots (2)$$

Where:

- SD = Sustainable Development
- EF = Economic Factors
- SF = Social Factors
- PF = Political Factors
- EI = External Influence
- β1\beta_1β1 to β4\beta_4β4 are the parameters for each factor

$\ln[\frac{p}{1-p}]$ = Natural log of odds

RESULTS AND DISCUSSION

Demographic Information

Table 1 presents the age distribution of the respondents. The majority of respondents (36.4%) are aged 26–35, followed by 24.7% in the 36–45 age group. The sample indicates a predominance of young to middle-aged individuals, which is reflective of the economically active population in Bida.

Table 1: Age Distribution of Respondents

Age Group	Frequency	Percentage (%)
18–25	85	22.1
26–35	140	36.4
36–45	95	24.7
46–55	45	11.7
56 and above	20	5.2
Total	385	100

Source: Survey (2025)

Table 2 shows the gender distribution, with a larger proportion of male respondents (57.1%) compared to female respondents (41.6%).

Table 2: Gender Distribution

Gender	Frequency	Percentage (%)
Male	220	57.1
Female	160	41.6
Prefer not to disclose	5	1.3
Total	385	100

Source: Survey (2025)

Regarding occupation, the largest group of respondents is employed in the private sector (31.2%), followed by those who are self-employed (28.6%). Public sector employees account for 23.4%, with a smaller portion of respondents (16.9%) being unemployed.

Table 3: Occupation of Respondents

Occupation	Frequency	Percentage (%)
Public Sector	90	23.4
Private Sector	120	31.2
Self-employed	110	28.6

Unemployed	65	16.9
Total	385	100

Source: Survey (2025)

The majority of respondents have tertiary education (54.5%), followed by those with secondary education (20.8%).

Table 4: Educational Qualification of Respondents

Qualification	Frequency	Percentage (%)
Primary	30	7.8
Secondary	80	20.8
Tertiary	210	54.5
Postgraduate	55	14.3
None	10	2.6
Total	385	100

Source: Survey (2025)

Economic Impact and Governance Awareness

Table 5 provides insights into the respondents' monthly income. The largest group (32.5%) earns between ₦50,000–₦100,000, followed by those earning between ₦101,000–₦250,000 (29.9%).

Table 5: Monthly Income of Respondents

Income Range	Frequency	Percentage (%)
Less than ₦50,000	85	22.1
₦50,000–₦100,000	125	32.5
₦101,000–₦250,000	115	29.9
Above ₦250,000	60	15.6
Total	385	100

Source: Survey (2025)

Table 6 reveals that 70.1% of respondents are aware of the governance factors influencing fuel subsidy removal, highlighting significant public engagement with the policy.

Table 6: Awareness of Governance Factors Influencing Fuel Subsidy Removal

Response	Frequency	Percentage (%)
Yes	270	70.1
No	115	29.9
Total	385	100

Source: Survey (2025)

Impact on Public Opinion and Governance

Table 7 presents the responses regarding the influence of public opinion and social movements on the decision to remove fuel subsidies. A significant portion (49.4%) believes that public opinion did not influence the decision, suggesting a disconnect between public sentiment and governmental action.

Table 7: Does Public Opinion and Social Movements Influence the Decision to Remove Fuel Subsidies?

Response	Frequency	Percentage (%)
Yes	120	31.2
No	190	49.4
Unsure	75	19.4
Total	385	100

Source: Survey (2025)

The government's communication regarding the subsidy removal objectives is assessed in Table 8. The majority of respondents rated the communication as either fair (32.5%) or poor (29.9%), indicating dissatisfaction with the government's messaging on the subsidy removal policy.

Table 8: Government Communication on Subsidy Removal Objectives

Response	Frequency	Percentage (%)
Excellent	50	13.0
Good	95	24.7
Fair	125	32.5
Poor	115	29.9
Total	385	100

Source: Survey (2025)

Impact on Household Economics

As shown in Table 10, a large majority (55.8%) of respondents reported a significant impact on their monthly expenses following the subsidy removal. This indicates that the policy has had a substantial effect on household budgets.

Table 10: Household Impact on Monthly Expenses

Impact	Frequency	Percentage (%)
No impact	30	7.8
Moderate impact	140	36.4
Significant impact	215	55.8
Total	385	100

Source: Survey (2025)

Support for Alternative Energy Initiatives

The results from Table 14 show that a majority (64.9%) of respondents support alternative energy initiatives such as compressed natural gas (CNG) or electric vehicles to mitigate the impact of subsidy removal. This suggests strong public backing for energy diversification in the wake of fuel subsidy reforms.

Table 14: Support for Alternative Energy Initiatives

Response	Frequency	Percentage (%)
Yes	250	64.9
No	90	23.4
Unsure	45	11.7
Total	385	100

Source: Survey (2025)

Logit Regression Analysis

The binary logit regression model, used to assess the impact of subsidy removal on Nigeria's sustainable development, produced the following results:

Table 15: Binary Logit Regression Result

Variables	Odds Ratio	P-Value
Economic Factor	4.035	0.001
Social Factor	1.43	0.118
Political Factor	1.30	0.083
External Influence	1.33	0.336
Intercept	0.456453	0.352

Pseudo R^2 = 0.0679
Log Likelihood = -130.154

Source: Survey (2025)

The regression results indicate that economic factors (EF) have the strongest and most statistically significant influence on sustainable development (odds ratio = 4.035, p = 0.001), suggesting that fiscal considerations play a major role in shaping subsidy removal decisions. Social factors (SF), while positively associated with sustainable development, are statistically insignificant (p = 0.118), indicating that despite public opposition, social movements have had limited influence on policy decisions. Political factors (PF) and external influences (EI) also show a positive association with sustainable development, though neither is statistically significant at the conventional 5% level.

The findings from the regression analysis and survey responses highlight the importance of economic factors in the decision to remove fuel subsidies in

Nigeria. The significant influence of economic factors (EF) aligns with the broader fiscal pressures that drove the subsidy reforms. However, the statistical insignificance of social factors suggests that, despite public discontent, the government's policy-making process is largely insulated from public pressure. This points to a governance structure where political elites and economic imperatives, rather than social movements, dominate decision-making. Furthermore, the support for alternative energy initiatives suggests an opportunity for policymakers to invest in sustainable energy solutions as part of a broader strategy for mitigating the economic impact of subsidy removal.

The results also indicate that the public's perception of the government's communication on subsidy removal was mixed, with many respondents rating it poorly. This finding suggests that effective communication and trust-building will be critical for the successful implementation of future economic reforms.

DISCUSSION

The findings from this study align closely with the research objectives, offering insights into the multifaceted impact of fuel subsidy removal on Nigeria's economy, society, and governance. The results indicate significant economic, social, and political consequences, which not only support but also expand upon existing research on the subject. The economic implications are particularly notable, as they reveal how the policy, while intended to reduce fiscal pressure and promote infrastructural development, has instead led to inflationary pressures and exacerbated poverty and inequality, particularly among low-income households.

Economically, the removal of the fuel subsidy was designed to alleviate the government's financial burden by redirecting resources to sectors such as infrastructure and social welfare. However, as the survey results suggest, the immediate effects have been counterproductive for the majority of the population. The substantial increase in transportation and living costs has disproportionately affected those in the lower-income brackets, highlighting a mismatch between the policy's intentions and its outcomes. This mirrors the findings of Raji (2018), who argued that the removal of subsidies without adequate compensatory mechanisms would raise poverty in the short term. In this study, 55.8% of respondents reported a significant impact on their monthly expenses, underscoring the immediate negative economic consequences for households.

Socially, the policy has triggered widespread public discontent, with protests and civil unrest reminiscent of past events like the 2012 #OccupyNigeria

movement. Despite the government's palliative measures, these interventions have been deemed insufficient to mitigate the economic hardships faced by the public. This finding supports Gana et al. (2024), who emphasized the social unrest and protests resulting from subsidy removal. The respondents' mixed views on government communication (32.5% rated it as fair) also align with earlier research by Gana, Rabi, and Bashar (2023), which noted that effective communication and public trust are crucial for the success of such reforms. The poor communication observed in this study could explain the continued public opposition, as lack of transparency fuels skepticism about the government's intentions.

Politically, the study found that fuel subsidy removal has strained the relationship between the government and its citizens. As in previous studies (e.g., Obasi et al., 2023), the perception of corruption and mismanagement of savings from the subsidy cuts has undermined public trust in governmental institutions. The political elites and vested interests, such as oil marketers, have played a significant role in shaping the subsidy policy, often blocking or delaying reforms that might benefit the broader population. This result is consistent with Greve and Lay (2023), who discussed how political factors, including vested interests and elite capture, overshadowed the potential benefits of subsidy reform. Furthermore, the binary logit regression results show that political factors (odds ratio = 1.30) are positively associated with sustainable development, yet remain statistically insignificant ($p = 0.083$). This could indicate that while political factors are crucial, their actual influence on the long-term success of subsidy removal is tempered by governance issues, such as the failure to implement transparent and accountable systems.

An unexpected finding in this study was the statistical insignificance of social factors (odds ratio = 1.43, $p = 0.118$), despite strong public opposition to subsidy removal, as evidenced by protest data and survey responses. This could be attributed to a number of factors. First, the disconnect between public sentiment and statistical significance might be due to the government's limited responsiveness to grassroots demands, which is evident in the fact that only 31.2% of respondents believed that social movements influenced the subsidy decision (Table 7). Furthermore, the survey may not have fully captured the broader, more sustained forms of social mobilization that might indirectly influence sustainable development, such as long-term social cohesion, community resilience, or informal sector adaptations. These factors, while not immediately apparent, could play a critical role in shaping long-term outcomes.

The results also reflect the broader theoretical framework, where economic imperatives and political elites appear to overshadow the role of social factors in shaping policy outcomes. As highlighted by Smith (2021) and Adebayo (2023), in resource-dependent economies like Nigeria, short-term fiscal stabilization often takes precedence over long-term social welfare considerations. The dominance of economic factors (odds ratio = 4.035) and political factors (odds ratio = 1.30) suggests that policymakers prioritize immediate fiscal concerns, such as deficit reduction, over addressing the long-term social consequences of fuel subsidy removal. This aligns with earlier studies that pointed out how the economic and political elite interests are often at odds with the broader public welfare (Ikenga & Oluka, 2023).

The support for alternative energy initiatives (64.9%) is a promising result, indicating that a significant portion of the population is open to solutions that could mitigate the impact of subsidy removal. This finding is crucial for the future policy direction, as it highlights the potential for diversifying Nigeria's energy sources to reduce reliance on imported fossil fuels. However, challenges such as infrastructure limitations and public skepticism about the safety of alternative energy technologies (e.g., compressed natural gas) remain barriers that need to be addressed for successful implementation.

The findings of this study contribute valuable insights to the ongoing debate about fuel subsidy removal in Nigeria. While the economic, social, and political impacts align with previous research, the study also highlights gaps in the governance of subsidy reforms and the role of public opinion in shaping policy outcomes. The statistical insignificance of social factors and the complex interplay of economic and political forces underscore the need for a more comprehensive, integrated approach to subsidy reform—one that incorporates better communication strategies, transparent governance, and sustainable social welfare policies.

CONCLUSION

The removal of fuel subsidies in Nigeria marks a critical juncture in the country's political economy, with wide-ranging consequences for governance, fiscal policy, and sustainable development. The policy aimed to reduce government spending, improve economic efficiency, and reallocate resources toward crucial sectors such as education, health, and infrastructure. However, the immediate effects on the Nigerian population have been severe. Rising fuel costs, inflation, and increasing poverty rates have underscored the country's economic and social

vulnerabilities, disproportionately affecting low-income households. The study reveals that while the government's intentions were to create a more efficient economy, the socioeconomic fallout has deepened inequality and made life more difficult for the most vulnerable. The findings emphasize the importance of governance in shaping the outcomes of such reforms. Public trust in government, transparency, and clear communication are essential factors that determine whether such policies are accepted and successfully implemented. Despite the government's objectives, the survey findings indicate a high level of public skepticism about the management of savings from subsidy cuts and their ability to promote sustainable development.

The study also highlights that economic considerations, such as the need for immediate fiscal relief, often take precedence over social concerns, leading to policies that do not adequately address the short-term hardships faced by the public. The immediate economic burden of subsidy removal has been felt most acutely by low-income families, raising questions about the policy's broader social fairness. Moreover, the significant influence of political elites and vested interests, particularly within the oil sector, further complicates the implementation of reforms that could benefit the wider population. Despite claims of long-term benefits, public opposition remains strong due to perceived corruption and the lack of transparency in how savings from the subsidy cuts are being allocated.

For the policy to achieve its intended outcomes and reduce the adverse effects on the population, several steps must be taken. First, the government must implement independent monitoring systems to ensure that the savings from subsidy removal are transparently allocated to key areas such as health, education, and infrastructure. This transparency is crucial in rebuilding public trust and demonstrating that the policy benefits the broader population. Additionally, immediate relief measures are needed to alleviate the short-term economic challenges caused by the subsidy removal. Cash transfers, targeted subsidies for essential goods, and support for low-income households can help ease the financial burden on the most vulnerable.

Moreover, a concerted effort to promote alternative energy sources, such as compressed natural gas (CNG) and renewable energy, is essential. This would reduce Nigeria's dependence on imported fossil fuels, contribute to energy security, and foster a more sustainable energy system. Prioritizing the operationalization of indigenous refineries, like the Dangote Refinery, would also reduce reliance on petroleum imports and help stabilize fuel prices, ultimately contributing to economic stability.

Investments in critical sectors such as health, education, and infrastructure are necessary to address the poverty and social inequality exacerbated by the subsidy removal. Such investments would help bridge the gaps created by the policy, improving the quality of life for Nigerians and supporting the country's long-term development goals. In conclusion, while the removal of fuel subsidies is a necessary step toward fiscal sustainability and economic reform, it must be accompanied by effective governance, targeted social support, and a clear strategy for diversifying Nigeria's energy sector. These measures would help mitigate the immediate negative impacts and foster a more inclusive and sustainable future for the country.

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