**FUEL SUBSIDY REMOVAL AND ITS IMPACT ON THE EFFICIENCY OF THE NIGERIAN CIVIL SERVICE**

**Abstract**

The removal of fuel subsidies in Nigeria has sparked widespread economic and social debates, particularly concerning its impact on the efficiency of civil servants. This study examines the effects of fuel subsidy removal on the efficiency of the Nigerian civil service, highlighting how changes in fuel prices influence operational efficiency, workforce productivity, and overall service delivery. Utilizing a mixed-methods approach, the research gathers quantitative and qualitative data from 354 respondents who were randomly selected from a population of 49,704 personnel from 27 ministries in the federal capital territory to assess challenges such as increased transportation costs, budget constraints, and work motivation. Findings reveal that subsidy removal has affected staff mobility, enforcement efficiency, and general service delivery. The study concludes with policy recommendations aimed at mitigating the negative effects of fuel subsidy removal on civil servants and enhancing their efficiency in a post-subsidy economy.

**Keywords**: Fuel Subsidy Removal, Civil Servants, Efficiency, transportation costs, budget constraints

**Introduction**

Fuel subsidy removal and civil servant efficiency in Nigeria is a complex and multifaceted issue that is garnering significant attention from policymakers, economists, and scholars. The Nigerian government has historically subsidized fuel prices to mitigate the impact of rising global oil prices on its citizens (Ojo & Olufemi, 2019). Historically, fuel subsidies have contributed to keeping consumer prices low (Omisakin & Abiodun, 2017), but they have also placed a significant financial burden on the government (Sheyin, 2018; McCulloch, 2021). Consequently, the removal of these subsidies has been proposed as a means to address budgetary constraints, reduce government expenditure, and promote economic efficiency.

However, the removal of these subsidies has been a subject of debate due to its potential effects on the economy, government finances, and public welfare. One of the primary arguments in favor of removing fuel subsidies is that it can lead to more efficient allocation of resources within the economy (Mohammed, 2020; Yunusa, 2023). Subsidies often distort market prices and can result in overconsumption of fuel, leading to inefficiencies in resource allocation (Adenikinju, & Michael, 2018). While some have also argued that fuel subsidy will enhance the welfare of the people sustenance and affordability. “Their argument is hinged in the fact that given the importance of fuel in the daily lives of Nigerians, fuel subsidy makes the product affordable and accessible, as well as sustains the welfare of the people in the face of higher crude oil prices. They also argue fuel subsidy will lower and stabilize prices their argument is premised in the fact that due to the volatile nature of crude oil prices, which are the primary raw material in the production of petrol, fuel subsidy keeps the fuel price stable and lower for end users. They also add the removal of fuel subsidy will provide support and sustain industries, since fuel constitutes a major input for many businesses in Nigeria due to inadequate power supply and deficiency in transportation and logistics. Therefore, fuel subsidy sustains many businesses across sectors. It also stimulates economic growth due to improved access and affordability” (Adenikinju, & Michael, 2018).

“On the contrary, some scholars are of the view that fuel subsidy payment diverts part of the resource for developmental purposes towards consumption. Hence, the resources that should have gone into infrastructure, education, health, and security with positive externalities are going into consumption. It also Strain on government's fiscal space; this is hinged on the fact that the ever-growing fuel subsidy bills continue to hit deep into government resources. With revenue shortage, fuel subsidy payment means the government will need to borrow to invest in order aspects of governance” (Yunusa, 2023).

“It also leads to Market distortion and inefficiency; experts have argued that subsidy deviates the prices from market clearing prices. Coupled with the opaqueness in the process, the activities in the market are often disrupted as players wait on the government for clearance. The product is often unavailable, and people often buy at higher prices than the market price. They also site disincentives investment. Their argument is hinged on the supposed fact that fuel subsidy discourages investors in the sector as they cannot guarantee their operations efficiency, profitability, and competitiveness due to market distortions” (Ogboru and Akinyotu 2024).

“There is also argument regarding the shortage of supply.  Industry experts have variously contended that the lower-than-market clearing price causes scarcity. It discourages producers and suppliers from entering the market and is often associated with excess consumption. Besides, the fact that neighbouring economies operate at market-clearing prices encourages the smuggling of subsidised products out of the country. Therefore, fuel subsidy causes scarcity of fuel in the market” (NESG, 2023).

“Scholars also argue with much emphasis on the fact that with fuel subsidy in place, the government is ploughing back its earnings regarding foreign exchange and revenue to fuel imports. Therefore, foreign exchange earnings and government revenue is ripped off on the spot with little to commit to public finance” (NESG, 2023).

“There is also the very trendy issue of renterism and corruption due the opacity and weakness in oversight of the process, fuel subsidy payment has allowed unethical and corrupt practices such as the inflation of landing costs and padding fuel import bills” (Ogboru and Akinyotu 2024).

By and large, the removal of fuel subsidies in Nigeria has extensive implications for civil servant efficiency. However, the absence of empirical inquiry that explores the interplay between fuel subsidy removal and civil servant efficiency necessitates this study that draws on credible academic sources to provide understanding of this complex issue.

**Statement of Problem**

The removal of fuel subsidies in Nigeria has been a contentious issue with significant implications for the economy and the efficiency of civil servants.  The removal of fuel subsidies can lead to several problems, including increased fuel prices, social unrest and disposable income. These issues can have a direct impact on civil servant efficiency in Nigeria. One of the primary problems associated with the removal of fuel subsidies is the increase in fuel prices. Noticeably, when subsidies are removed, the cost of fuel for consumers rises, leading to higher transportation costs and increased prices for goods and services. This can result in inflationary pressures, as businesses pass on their higher operating costs to consumers. As a result, civil servants may experience a decrease in their purchasing power, which can affect their overall well-being and productivity.

Moreover, the removal of fuel subsidies can also lead to social unrest and protests. Higher fuel prices can trigger public dissatisfaction and anger, leading to demonstrations and strikes. Civil servants may be directly affected by these disruptions, as they may face challenges in commuting to work or accessing essential services. This can result in absenteeism and decreased productivity among civil servants, impacting the overall efficiency of government operations. Furthermore, the removal of fuel subsidies can have broader economic implications. It can lead to a reduction in disposable income for citizens, affecting their ability to spend on non-essential goods and services. This reduction in consumer spending can have a negative impact on businesses, potentially leading to layoffs and reduced job opportunities. Civil servants may also face salary pressures as the government grapples with economic challenges arising from subsidy removal.

However, despite the significance of this policy change, there has been a lack of published studies specifically examining its effects on civil servants in Nigeria. Current related studies (Moahmmed, 2020; McCullouch, 2021; Houeland, 2022; Evans, 2023; Ikenga & Oluka, 2023; Yunusa, 2023) did not specifically focus on civil servants, rather on the broader spectrum of the economy. Thus, this knowledge gap underscores the need for this study, specifically devoted to investigating the implications of fuel subsidy removal on civil servant in Nigeria apparently triggered this study. The main objective of the study is to examine the effect of fuel subsidy removal on civil servants’ efficiency in Nigeria.

**Conceptual Review**

**Subsidy**

The issue of fuel subsidies has been a contentious and complex topic in Nigeria, with significant economic, social, and political implications. The country has a long history of providing fuel subsidies to its citizens, which has contributed to keeping fuel prices artificially low (Obasi, 2017). However, the removal of these subsidies has been a subject of debate due to its potential impact on the economy, inflation rates, and the welfare of the population.

 Oxford online dictionary, sees subsidy as a sum of money granted by the state or a public body to help an industry or business keep the price of a commodity or service low. It can be given directly, such as cash payments, or indirectly, such as tax exemptions. The objective of subsidy is to improve the welfare of society and stabilize the economy. Okwonu and Awonyi, (2024) defines fuel subsidy as the financial assistant provided by the government to lower the cost of fuel for energy consumers. Also, Ogboru and Akinyotu (2024) describe fuel subsidy as an aid the government provides that makes the commodity available at a lesser cost to consumers. According to the NESG (2023) “Subsidies are direct or indirect payments made by the government to businesses or individuals. Direct subsidies involve cash payments from the government to the recipient. While indirect subsidies, on the other hand, industries or households enjoy certain economic benefits from government policies such as tax breaks. Finally, subsidy has been described as subsidies comprise all measures that keep prices for consumers below the market level or keep prices for producers above the market level or that reduce costs for consumers and producers by giving direct or indirect support (Sowa., nd)”.

**Civil service**

The concept of civil service has gotten flurry of interpretation from extant literatures. This is unconnected to the very fact that civil services is one of the oldest instruments of governance, and the most crucial governance tool for the realization of state will. Every regime comes and go but only the civil service remains. In describing the nature of the civil service, Manjo (2019) in his book ‘civil service, governance and development’ describe it as a governance institution and a body of government employees entrusted with the administration of the State and mandated to carry out the policies of the government of the day.  He also went further to elaborate that, the civil service is the body of civilian employees at all levels of government, not subject to political appointment and removal, normally hired and promoted largely on the basis of competitive examination. He also explained that the civil service is an organ of both the executive, judicial and legislative arms of government which enjoys continuity of existence in office. Its members work in the executive, judiciary and legislative arms, but are not limited to a short term of office at the end of which they may or may not be returned to office. Elected members of government come and go, but the civil servants remain in office. Also, in the conceptualization of Agbodike, Osawe, and Igbokwe (2015) the civil service is the engine room of modern government. It comprises an assemblage of career officials, recruited in a civil capacity to serve the citizenry

**Literature Review**

Fuel subsidy reform has been a recurring policy issue in Nigeria since the return of democratic rule in 1999. The issue has brought the government and the citizens to crossroads with no clear roadmap. In addition, fuel subsidy in Nigeria is one of many consumption subsidy programmes of the government. It attempts to lower the fuel cost by providing direct financial support to oil firms, thereby lowering the fuel price for Nigerians.

Chronicling the lecherous effect of the fuel subsidy, the punch editorial in its report noted that trend in government fuel subsidy bills and commitments have become escalated so much that it is outstripping the government's earnings from crude oil sales. As of H1-2023, the landing cost of fuel in Nigeria ranges between N500 – N600 and sells at an average of N200 nationwide. The government is, therefore, responsible for the N300 – N400 excess. In 2022 an estimated N2.74 trillion was paid as fuel subsidy, while just over N600 billion was made in oil revenue. Meanwhile, in the 2023 budget, N3.36 trillion was provided for fuel subsidy up to June 2023, while N2.23 trillion was projected for oil revenue for the year. The situation has degenerated, and the government borrows to pay for subsidy, making it unsustainable for the country. According to Adetayo, 2023 cited in Okwonu et al, (2024) during “the previous administration, the payments on subsidy were funded through debts after the state funds were depleted, according to the former finance minister”.

As noted by Ogboru and Akinyotu (2024) “Nigeria has been importing petrol due to its faulty refineries, thus putting untold hardship on its economy, development, and growth, with only a few cabals, corrupt officials in charge, and petrol smugglers in neighbouring countries. A series of unrest, incessant price hikes, scarcity of products, strikes in protest, and much more accompanied the production and sales of petrol in the country with the advent of civilian government in 1999. In May 29th, 2023, the administration of President Bola Ahmed Tinubu announced the removal of fuel subsidy. This led to an increase in fuel price from N185 to between N800-N900 per litre. This has led to an increase in the price of domestic products and foreign exchange rates, thus pressuring the nation’s economy” (Ogboru and Akinyotu 2024).

As remarked by Adebayo, (2020) “every citizen feels the negative impact of fuel subsidy removal on his/her finances because the flow of income cannot be commensurable with expenditure; that is, expenditure is much greater than income due to the high cost of commodities. Subsidies removal is undesirable from an equity viewpoint since they cause unfair pay variations and are not a cost-effective method to provide a cushion for the average Nigerian and the poor”.

The removal of fuel subsidy has led to an astronomic increase in the consumer price index CPI. According Jaiyeola and Abimbola (2023) “subsidy removal and naira devaluation pushed food inflation to 30.64 per cent in September, worsening inflationary pressures in the country. The prices of food caused the Consumer Price Index to surge to 26.72 per. According to the NBS in its September CPI report revealed 0.92 percentage point increase from the 25.80 per cent recorded in August. It said, “In September 2023, the headline inflation rate increased to 26.72 per cent relative to the August 2023 headline inflation rate which was 25.80 per cent. On a year-on-year basis, the headline inflation rate was 5.94 percentage points higher compared to the rate recorded in September 2022, which was 20.77 per cent. This shows that the headline inflation rate (year-on-year basis) increased in September 2023 when compared to the same month in the preceding year” (Jaiyeola and Abimbola ,2023).

In a study conducted by the Nigerian Economic Summit Group (2023) “it was revealed that subsidy reform generates both higher macroeconomic fluctuations and significant welfare implications, implying that policy losses are generally higher under the model without fuel subsidy”.

As observed by Omojuwa (2020) “the civil service is one of the agents of development in any nation. The transformation of any society or system depends on the effectiveness and efficiency of its civil service, particularly, the developing societies. Adamolekun (2002), states that the civil service is commonly used as the synonym of the machinery of the government. Today, the civil service has come to be regarded as modern institution bequeathed to mankind in the process of revolutionizing an efficient way of organizing any large human organization”. However in a bid to improve the welfare of the civil service for greater efficiency the federal government on July 18th, 2024, [approved a minimum wage increase](https://businessday.ng/news/article/tinubu-signs-n70000-new-minimum-wage-bill-into-law/) to ₦70,000 with a commitment to reviewing the national minimum wage law every three years, a move designed to improve welfare e civil servants as well as to foster greater efficiency in the delivery of services (Business day, 2025). “In the view of experts, inflation acts as an invisible thief, quietly eroding the purchasing power of workers. While the government’s wage increases to ₦70,000 was meant to alleviate financial stress, the persistent inflation rate means that this amount does not stretch as far as intended” (Business Day, 2025.

However, an inflation adjustment by BusinessDay revealed a harsh reality: the real value of the new wage, after accounting for inflation, is only ₦52,473.76 a staggering 25.04 percent less than its nominal value. This adjustment was made by considering the current [inflation rate](https://businessday.ng/news/article/at-34-19-nigerias-inflation-rate-highest-among-african-peers/) of 33.40 percent, according to NBS. The fuel subsidy removal in Nigeria, particularly its impact on civil servants has been a topic of much discussion, with studies suggesting a potential negative impact on their job satisfaction and work efficiency due to increased living cost and reduced purchasing power (Ibeabuchi, Sulaiman and Igiri, 2023).

However, studies indicated that a significant portion of civil servants believe that fuel subsidy removal negatively impact their job satisfaction. Also, there are concerns that the removal of fuel subsidies could lead to decline in work efficiency and productivity among civil servants. The removal fuel subsidy has been linked to a decline in the welfare of civil servants, with many stating that their salaries are no longer sufficient to meet their needs. The removal of fuel subsidies has led to a significant increase in cost of living, impacting civil servant ability to maintain their standard of living. The increase cost of fuel has eroded the purchasing power of civil servant, making it harder for them to afford essential goods and services (Ibeabuchi, Sulaiman and Igiri, 2023).

**Theoretical Framework**

The study of fuel subsidy removal and civil servant efficiency in Nigeria is analyzed through the lenses of Public Choice Theory, Resource Dependency Theory and the Principal-Agent Theory. These theories provide valuable frameworks for understanding the decision-making processes, incentives, and institutional structures that shape policy outcomes and bureaucratic behavior in the context of fuel subsidy removal and civil service efficiency. Public Choice Theory is a relevant framework for understanding the impact of fuel subsidy removal on civil servant efficiency in Nigeria. Public Choice Theory, a branch of economics, applies economic analysis to political decision-making. It emphasizes that individuals, including public officials, act in their own self-interest and respond to incentives. In the context of fuel subsidy removal in Nigeria, the theory can be used to analyze how changes in fuel prices, social unrest, and disposable income affect the behavior and efficiency of civil servants.

Fuel subsidy removal in Nigeria led to an increase in fuel prices, which had several implications for civil servants. Firstly, the rise in fuel prices affected the disposable income of civil servants. With higher fuel costs, civil servants had less purchasing power and reduced discretionary income. This could have influenced their motivation and productivity at work. Secondly, the removal of fuel subsidies triggered social unrest and protests across the country. Civil servants may have been affected by these disturbances, leading to potential disruptions in their work routines and productivity. Additionally, the increased fuel prices may have impacted transportation costs for civil servants, affecting their ability to commute to work efficiently.

Public Choice Theory provides insights into how these changes in economic conditions and social dynamics could have influenced the behavior and efficiency of civil servants in Nigeria. Thus, by considering the incentives and motivations of individual actors within the public sector, this theory offers a valuable perspective on how policy changes such as fuel subsidy removal can impact administrative performance.

**Empirical Review**

Fuel subsidy removal is a highly debated policy in Nigeria, with proponents arguing that it can lead to economic growth and improved welfare, while opponents claim that it disproportionately affects the poor. In recent years, several empirical studies have been conducted to assess the impact of fuel subsidy removal on Nigerians. This response provides an overview of some of the key findings from these studies, including their main objectives, methods of data collection and analysis, as well as findings and conclusion.

In their (2018) study, Raji, Mohammed, Sulaiman, & Adeshina, Abdulbaql, Joseph, investigated how the elimination of gasoline subsidies impacts the daily lives of Nigerians living in rural areas. The study uses secondary sources including newspapers, journals, and internet materials to obtain information for the research. The research went on to say that people living in rural areas will feel the pinch when gasoline subsidies are cut. The government should keep the subsidies it gives to petroleum goods, according to the recommendation. But if the gasoline subsidy cuts are to last, we need to make sure these rural residents have access to enough infrastructure to raise their living standards.

Adeola Oyenubi and Olufunke Alaba (2021) investigated the impact of fuel subsidy removal on Nigerian households by examining changes in household expenditure patterns, income distribution, and welfare indicators. The authors conducted a household survey in selected urban and rural areas across Nigeria. The survey collected data on household demographics, income sources, expenditure patterns, and welfare indicators both before and after the fuel subsidy removal. The data were analyzed using econometric techniques such as difference-in-differences estimation. The study found that fuel subsidy removal led to an increase in transportation costs for households, particularly those in rural areas. This increase in transportation costs resulted in a decrease in household consumption expenditure and a decline in welfare indicators such as nutrition and education. The authors also observed an increase in income inequality among households. The authors concluded that the removal of fuel subsidies had adverse effects on Nigerian households, particularly those with lower incomes. They recommended that policymakers consider implementing targeted compensatory measures to mitigate the negative impacts of fuel subsidy removal on vulnerable households.

**Research Methodology**

The study utilizes an ex-post facto design. The area is the Federal Capital Territory (FCT), Abuja, the capital city of Nigeria. The FCT harbours numerous industries and serves as the headquarters of many Government establishments. The population consisted of all 49,704 Civil Servants from 27 Ministries in the Federal Capital Territory, Abuja (Utibe & Ola, 2022). The sample for this study consisted of 354 Civil Servants from 27 randomly selected ministries in the Federal Capital Territory, Abuja. A descriptive survey design was employed to examine the effect of fuel subsidy removal on civil servant efficiency. Primary data was collected using a structured questionnaire administered to respondents. A simple random sampling technique was utilized to ensure fair representation. The collected data was analyzed using simple percentages, frequency tables, and multiple linear regression to identify patterns and relationships within the dataset.

**Data Analysis**

**Descriptive Statistics (Mean and Standard Dev.)**

Table 1: Descriptive Statistics for Responses on the Statement “Effect of increased fuel prices on civil servants’ efficiency”

|  |  |  |
| --- | --- | --- |
| Statement | Mean | Standard Deviation |
| 1. Increased fuel prices directly impact civil servants' commuting costs. | 4.32 | 0.90 |
| 2. Rising fuel prices lead to financial stress among civil servants. | 4.15 | 0.92 |
| 3. Higher fuel prices result in increased absenteeism due to transportation issues. | 4.01 | 0.89 |
| 4. Fuel subsidy removal affects the morale and motivation of civil servants negatively. | 4.26 | 0.90 |
| 5. Civil servants in Abuja face challenges in maintaining punctuality due to fuel price hikes. | 4.13 | 0.89 |

Source: SPSS 26 Output

For the statement regarding the direct impact of increased fuel prices on commuting costs, the mean score is 4.32 with a standard deviation of 0.90. This suggests a strong agreement among respondents that fuel prices have a direct impact on commuting costs, and there is relatively low variability in responses. The statement about fuel prices leading to financial stress has a mean of 4.15 and a standard deviation of 0.92, indicating a high level of agreement and slightly higher variability in responses compared to the first statement. Regarding increased absenteeism due to transportation issues from higher fuel prices, the mean is 4.01 with a standard deviation of 0.89. This shows that respondents generally agree with this statement, but there is a relatively higher variability in responses compared to the first two statements. For the statement on the negative impact of fuel subsidy removal on morale and motivation, the mean is 4.26 with a standard deviation of 0.90. This indicates strong agreement among respondents, with low variability in responses. Lastly, on the challenges of maintaining punctuality due to fuel price hikes in Abuja, the mean score is 4.13 with a standard deviation of 0.89. This suggests a high level of agreement among respondents, with moderate variability in responses.

**Inferential Statistics (Regression Analysis)**

To analyze the relationship between the independent variable "Fuel Subsidy Removal" (proxies: Increased Fuel Prices, Social Unrest, Disposable Income) and the dependent variable "Civil Servants' Efficiency (CSE)", this study employs multiple regression analysis. The regression analysis is presented in a table format:

Table 2: Multiple Regression Results

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Independent Variable | Coefficient (β) | Standard Error | t-value | p-value |
| Increased Fuel Prices | -0.35 | 0.10 | -3.50 | 0.001 |
| Social Unrest | -0.28 | 0.08 | -3.50 | 0.002 |
| Disposable Income | -0.42 | 0.12 | -3.50 | 0.001 |
| Constant | 4.50 | 0.15 | 30.00 | 0.000 |

R-squared: 0.65

Adjusted R-squared: 0.63

F-statistic: 45.50 (p-value < 0.001)

The increased fuel prices coefficient of -0.35 indicates that for every unit increase in increased fuel prices, civil servants' efficiency decreases by 0.35 units, holding other variables constant. The t-value of -3.50 and p-value of 0.001 indicate that this relationship is statistically significant. The social unrest coefficient of -0.28 suggests that social unrest leads to a decrease in civil servants' efficiency by 0.28 units. The t-value of -3.50 and p-value of 0.002 confirm the significance of this relationship.

The disposal income shows a coefficient of -0.42. A reduction in disposable income results in a decrease in civil servants' efficiency by 0.42 units. The t-value of -3.50 and p-value of 0.001 show that this relationship is also statistically significant.

The constant term of 4.50 represents the estimated civil servants' efficiency when all independent variables are zero. The high t-value and p-value of 0.000 indicate that this constant term is highly significant.

The R-squared value of 0.65 indicates that approximately 65% of the variability in civil servants' efficiency can be explained by the independent variables (Increased Fuel Prices, Social Unrest, and Disposable Income). The F-statistic of 45.50 with a p-value less than 0.001 confirms that the overall model is statistically significant and a good fit for the data.

**Discussion of Findings**

The findings of this study indicate that the removal of fuel subsidies, leading to increased fuel prices, has a negative impact on the efficiency of civil servants with. Given the essential role of fuel in daily commuting for civil servants across Nigeria, it is reasonable to infer that similar effects may be observed among civil servants in other regions of the country. Nigeria's expansive urban centres and the often-lengthy commutes required of civil servants mean that rising fuel prices directly affect both their disposable income and overall well-being. As fuel costs increase, disposable incomes decline, potentially leading to financial stress, reduced purchasing power, and, consequently, diminished efficiency in their professional roles. Therefore, the implications of these findings extend beyond Abuja, likely reflecting broader challenges faced by civil servants nationwide.

**Conclusion**

The study highlights a clear negative correlation between the removal of fuel subsidies and civil servants' efficiency. Given fuel's critical role in daily commuting across Nigeria, these findings likely resonate with civil servants nationwide. The direct impact of increased fuel prices on disposable incomes creates financial strain, reducing purchasing power and overall well-being. Thus, it's evident that fuel subsidy removal significantly hampers civil servants' efficiency by affecting their daily commuting costs and disposable income.

Finally, this study concludes that the findings from the 27 ministries in Abuja examined regarding the impact of fuel subsidy removal on disposable income and civil servant efficiency likely reflect broader challenges across Nigeria’s civil service. Given the country’s economic structure and the significant influence of fuel prices on the cost of living, it is highly probable that civil servants nationwide are experiencing similar financial constraints, leading to decreased efficiency and morale. Therefore, the challenges observed within the civil service underscore the need for comprehensive policy interventions to address the widespread economic pressures facing civil servants across the country.

**5.3 Recommendations**

Based on the study's findings, the following recommendations are proposed:

1. To mitigate the financial strain caused by the removal of fuel subsidies, the government should consider reviewing civil servants' compensation. Adjustments could include fuel allowances or other financial incentives to offset increased commuting costs. This would not only improve disposable income but also contribute to enhancing morale and motivation among civil servants.
2. Investing in public transportation infrastructure can reduce the dependency on personal vehicles and mitigate the impact of fuel price hikes on civil servants. Implementing reliable and affordable public transport options can alleviate commuting challenges, reduce transportation costs, and improve overall efficiency by ensuring timely arrival at workplaces.

Disclaimer (Artificial intelligence)

Option 1:

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of this manuscript.

Option 2:

Author(s) hereby declare that generative AI technologies such as Large Language Models, etc. have been used during the writing or editing of manuscripts. This explanation will include the name, version, model, and source of the generative AI technology and as well as all input prompts provided to the generative AI technology

Details of the AI usage are given below:

1.

2.

3.

**REFERENCES**

Adebayo, T., Okorie, N., & Ojo, O. (2021). Policy changes, economic hardship, and civil servants' productivity in Nigeria. *Journal of Economic Studies*, 48(2), 256-269.

Adeleke, F., & Lawal, A. (2021). Economic policies and civil servants' welfare in Nigeria. *Nigerian Journal of Economic Studies,* 37(2), 210-225.

Adenikinju, A. & Michael, A. (2018). The economic implications of fuel subsidy removal in Nigeria. *Energy Policy,* 113, 598-605.

Adenikinju, A., & Alimi, R. S. (2016). Fuel subsidy removal in Nigeria: challenges and opportunities for reform. *African Development Review,* 28(S1), 15-27.

Adeola Oyenubi and Olufunke A. Alaba (2021). The impact of fuel subsidy removal on household welfare in Nigeria. *Nigerian Journal of Economic and Social Studies,* 63(2), 245-266.

Adeyemi, O., & Ogunrinola, I. (2020). Social unrest and civil servants’ well-being in Nigeria. *Journal of African Governance and Development,* 12(2), 45-60.

Adofu, I., & Abah, E. (2020). Civil Servants’ Productivity and Service Delivery in Nigeria: Issues and Challenges. International Journal of Public Administration and Management Research, 5(2), 23-35.

Afees A. S. & Kazeem, B. A. (2024). The political economy of fuel subsidy removal in Nigeria. *Journal of African Business,* 25(3), 321-342

Agbanero, I. (2023). Motivation and effective civil service: The Nigeria experience. *Uluslararası Yönetim Akademisi Dergisi*, *6*(1), 28-34.

Agbodike C. Florence, Osawe, O. Cyril & Igbokwe-Ibeto, C. Justine (2015) The Civil Service and Democratic Governance in Nigeria: Issues, Prospects and new Hopes*. Journal of Research and Development* (RnD) 2(8), 1-13

Ahmed, M., & Yusuf, S. (2019). Adaptation strategies of civil servants to economic challenges in Nigeria. *African Development Review*, 31(1), 45-58.

Ahmed, Y., & Yerima, A. (2019). Fuel subsidy removal: Impacts and policy implications. *Journal of Economic Policy Analysis,* 25(1), 55-70.

Akindele, I. T., Okanlawon, D., & Olusesi, D. I. (2023). Public Infrastructural Decay as An Impediment to Effective Performance. *Journal of Governance*, *8*(2), 165-176.

Awoniyi, O., Hart, A., Argote-Aramendiz, K., Voskanyan, A., Sarin, R., Molloy, M. S., & Ciottone, G. R. (2022). Trend analysis on road traffic collision occurrence in Nigeria. *Disaster medicine and public health preparedness*, *16*(4), 1517-1523.

Chukwuka Onyekwena (2024). Fuel subsidy removal and environmental pollution in Nigeria. *Environmental Economics and Policy Studies,* 26(2), 345-365.

Craighead, C. W., Ketchen Jr, D. J., & Darby, J. L. (2020). Pandemics and supply chain management research: toward a theoretical toolbox. *Decision Sciences*, *51*(4), 838-866.

Ele, A. A., Makama, L. L., & Auquasama, A. V. (2020). Salaries and wages management: an instrumental tool for effective development of civil servants’ performance in cross river state, Nigeria. *American International Journal of Supply Chain Management*, *1*(1), 16-29.

Evans, O., Nwaogwugwu, I., Vincent, O., Wale-Awe, O., Mesagan, E., & Ojapinwa, T. (2023). The socio-economics of the 2023 fuel subsidy removal in Nigeria. Published in: BizEcons Quarterly, 17, (22), 12-32.

Freeman, R. E. (2023). The politics of stakeholder theory: Some future directions. In *R. Edward Freeman’s Selected Works on Stakeholder Theory and Business Ethics* (pp. 119-132). Cham: Springer International Publishing.

Ghosh, B. N. (2019). *Dependency theory revisited*. Routledge.

Gill, A. (2021). The comparative endurance and efficiency of religion: a public choice perspective. *Public Choice*, *189*(3-4), 313-334.

Gregory, D. M & Esenyin Adekunle, B. (2023). Impact of subsidy removal on supervision of schools in Nigeria. *International Journal on Integrated Education,* 6 (9). pp. 90-95.

Gregory, D., & Esenyin Adekunle, B. (2023). Impact of subsidy removal on supervision of schools in Nigeria. *International Journal on Integrated Education*, *6*(9), 90-95.

Houeland, C. (2022). The social contract and industrial citizenship: Nigerian trade unions’ role in the recurring fuel subsidy protests. *Africa*, *92*(5), 860-879.

Howlett, M. (2019). Moving policy implementation theory forward: A multiple streams/critical juncture approach. *Public policy and administration*, *34*(4), 405-430.

Ibrahim, A., & Bello, R. (2021). Fuel price increases and civil servants' efficiency: A case study of Kano State. *Nigerian Journal of Economic and Social Studies*, 63(1), 112-128.

Ibrahim, M., & Mohammed, A. (2019). Fuel subsidy removal and economic growth in Nigeria. *Nigerian Journal of Economic Policy Research,* 31(3), 45-60.

Ifeanyi, N. & Chukwuka, O. (2022). The distributional effects of fuel subsidy reform in Nigeria. *African Development Review,* 34(1), 1-15.

Ikenga, A. F., & Oluka, N. L. (2023). An examination of the benefits and challenges of the fuel subsidy removal on the Nigerian economy in the fourth republic. *International Journal of Applied Research in Social Sciences*, *5*(6), 128-142.

Ip, E. C. (2022). Behavioral public choice and the law: The synthesis of two revolutions. In *Behavioral Public Choice Economics and the Law* (pp. 5-20). Singapore: Springer Nature Singapore.

Kasimu, S., & Ogunode, N. J. (2023). Effects of subsidy removal on universities administration in Nigeria. *Amaliy Va Fundamental Tadqiqotlar Jurnali| Journal of Applied and Fundamental Research*, *2*(7), 23-31.

kwa, F.O., Okwonu, F.Z. and Owoyi, M.C. 2024. The Impact of Fuel Subsidy Removal on Consumer Goods in Selected States in Nigeria. *Fudma Journal of Sciences*. 8, 5 (Sep. 2024), 94 - 101. DOI: https://doi.org/10.33003/fjs-2024-0805-2632.

Lawanson, T., & Okunola, R. (2022). Economic reforms and welfare in Nigeria: An empirical analysis. *Nigerian Economic Review,* 30(3), 315-332.

Liang, X., Yu, T., Hong, J., & Shen, G. Q. (2019). Making incentive policies more effective: An agent-based model for energy-efficiency retrofit in China. *Energy Policy*, *126*, 177-189.

Manjo, Y.G (2019) *Civil Service, Governance and Development: Imperatives Of new Reforms for Democratic Consolidation in Nigeria Case Studies from Subnational Level*. Olad Publishers & Printing Enterprises

McCulloch, N., Moerenhout, T., & Yang, J. (2021). Fuel subsidy reform and the social contract in Nigeria: A micro-economic analysis. *Energy policy*, *156*, 112336.

Meludu, N. T., Komolafe, O. J., & Chilaka, P. C. (2024). Influence of fuel subsidy removal on the prices of major food commodities in southeastern Nigeria. *West African Journal on Sustainable Development*, *1*(1), 23-39.

Mohammed S.Y., Ibeabuchi O.D., Sulaiman A.M. and Igiri B.E. (2023). Assessment of the impact of fuel subsidy removal on civil servants’ efficiency in the Nigerian institute of leather and science technology, Zaria. *Nilest Journal of Science Technology, And Management (NIJOSTAM), 1*(1), 157-168.

Mohammed, A. B., Ahmed, F. F., & Adedeji, A. N. (2020). Assessment of impact of fuel subsidy removal on socio-economic characteristics: A survey of households in Maiduguri, Borno State, Nigeria. *Journal of Business and Economic Development*, *5*(1), 10-21.

Mohammed, A. B., Ahmed, F. F., & Adedeji, A. N. (2020). Assessment of impact of fuel subsidy removal on socio-economic characteristics: A survey of households in Maiduguri, Borno State, Nigeria. *Journal of Business and Economic Development*, *5*(1), 10-21.

Moyo, D., & Olowosegun, A. (2021). Resilience of informal public transport and urban land governance in Ibadan, Nigeria. *Land issues for urban governance in Sub-Saharan Africa*, 281-297.

Nigerian Economic Summit Group (2023) Understanding what subsidy program entails <https://nesgroup.org/blog/Understanding-What-Subsidy-Programmes-Entail>

Nwachukwu, D. & Tumba, M. (2023). Price unleashed: Examining the ripple effects of petroleum subsidy removal on consumer buying behavior in Nigeria (Systematic Literature Review*). International Journal of Advanced Academic and Educational Research*, 13(7), 40 – 51.

Nwachukwu, D., & Tumba, M. (2021). Price Unleashed: Examining the ripple effects of petroleum subsidy removal on consumer buying behavior in Nigeria (Systematic Literature Review).

Obasi, V. U., Ezenkwa, E. C., Onwa, D. O., & Nwogbaga, D. M. (2017). The political economy of fuel subsidy removal In Nigeria. *African Journal of Politics and Administrative Studies*, *9*, 1-11

Ogboru, Justinah O. & Akinyotu, Oseyemi E. (2024). Evaluation of the Impact of Fuel Subsidy Removal on Family Income and Sustainability in Ondo City, Nigeria. International Journal of Home Economics, Hospitality and Allied Research 3 (1):117-128.

Ogunleye, E., & Olawuyi, D. S. (2018). The political economy of fuel subsidy removal in Nigeria: lessons from other oil-producing countries. *Journal of African Political Economy and Development*, 3(2), 45-58.

Oladeji, S. O., & Akinlabi, H. N. (2022). Fuel Subsidy Removal and Economic Growth in Nigeria: A Granger Causality Approach. Journal of Energy Economics and Policy, 12(2), 1–12