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Fuel Subsidy Removal, Household Coping Strategies, and Public Perceptions of Government Interventions in Kogi State, Nigeria

Cletus Adeyemoh Olunde, Segun Oshewolo, Mathew Ekundayo Rotimi
Federal University Lokoja, Kogi State, Nigeria
olundec@yahoo.com

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Abstract

Fuel-subsidy removal constitutes a major neoliberal economic reform with substantial implications for household welfare, public trust, and the legitimacy of government intervention. This study examines household coping strategies and perceptions of government policy responses following fuel-subsidy removal in Kogi State, Nigeria. Guided by neoliberal economic theory, the study employed a quantitative survey design and analysed the data using descriptive statistics, cross-tabulation, cluster analysis, logistic regression, and analysis of variance (ANOVA). The findings identify reduced consumption and income-source diversification as prominent household coping strategies, demonstrating the economic pressures associated with subsidy removal. Logistic regression indicates that income quartile and employment type significantly influence the likelihood of adopting a coping strategy, while ANOVA identifies occupation as an important determinant of attitudes towards government policies. Civil servants express relatively positive attitudes towards government responses, whereas self-employed and unemployed respondents report more negative perceptions, reflecting differences in economic exposure and access to state support. Government measures intended to mitigate the reform's effects, including cash transfers and social safety nets, are widely perceived as ineffective, poorly targeted, and lacking transparency, thereby reinforcing public distrust. The study concludes that compensatory measures accompanying fuel-subsidy reforms must be transparent, accountable, and carefully targeted to address the economic and social needs of vulnerable households. By connecting coping behaviour with public acceptance and dissatisfaction, this study contributes to broader debates on the distributional and social consequences of neoliberal reforms and provides policy-relevant evidence for designing more responsive social-protection interventions.

Keywords: Fuel Subsidy Removal; Government Interventions; Household Coping Strategies; Nigeria; Public Perceptions

INTRODUCTION

Across the world, improving people's living standards has always been among the main economic objectives of government administrations. To many policymakers, subsidies represent one of the very few mechanisms capable of addressing issues that arise from volatility and rapid change (Ezeum & Agada, 2024). Article 14(2)(b) of the 1999 Constitution (as amended) made it clear that it is the Nigerian government's responsibility to ensure the security of its citizens and to work towards enhancing their welfare. At first, subsidies on petroleum products were a means of protecting consumers during the ups and downs of international oil prices (Meludu et al., 2024; Suleiman et al., 2024). As Nigeria mainly depends on imports to meet its demand for petroleum products, price subsidies have been the main factor in keeping the domestic economy running without hiccups. In 2020, the government spent more than 10 billion dollars in subsidies, and these levels are unsustainable (Suleiman et al., 2024). The oil subsidy scheme has been blamed for a total loss of around 16 billion dollars over five years due to the period, lack of transparency, and corrupt practices in its management (Uwak et al., 2023).

Two main factors contributed to the elimination of subsidies. One was the limited government resources domestically, and the other was foreign obligations. The 2009 G20 deal to cut down on inefficient fossil fuel subsidies prompted the Nigerian government's reform plan (Ian & Corbett, 2009). Besides, in 2022, the Petroleum Industry Administration (PIA) Bill was passed, giving autonomy to the downstream petroleum sector, and the government announced in June 2023 that it would remove gasoline subsidy (Uwak et al., 2023). The program's primary aim was to improve the government's financial position and production efficiency, but the outcomes have differed widely across the country. According to the National Bureau of Statistics (NBS), 63% of.

There is no doubt that these are really harsh effects, but surprisingly, most published works focus on urban centres, mainly Lagos and Abuja (Okafor & Nwachukwu, 2023; Adeyemi & Adebayo, 2021; Musa et al., 2022). Rural and semi-urban states like Kogi are still very much in the dark, even though they are the most vulnerable to the effects of subsidy removal and will face the worst impacts. The main objectives of the paper, therefore, are: to evaluate the coping strategies adopted by households as survival mechanisms following the removal of fuel subsidies; to assess the effectiveness of recent government interventions in cushioning the effects of fuel subsidy removal; and to explore public perceptions of these interventions.

Literature Review

Operational Definitions

Coping Strategies

Scholars have conceptualised coping strategies at different levels: households, community, and policy, thus providing a framework for understanding adoption strategies.

Household Level:

According to Niagwann and Nomsoor (2025), household coping strategies are situated within the resources reallocation framework, where households adjust spending patterns, diversify income sources, reduce non-essential consumption, engage in petty trading, and undertake other informal-sector activities.

Community Level:

In the view of Ajuzie (n.d), coping strategies can be situated within the social capital theory. Here, the emphasis is on the role of public trust, collective action, and reciprocity. According to him, communities and groups form cooperative societies and collaborate to cushion the effects of hardship. These social networks provide informal credit to mitigate the impact of fuel subsidy removal.

Policy Level:

Okoroafor et al. (2025) view coping strategies through a macro-level political economy lens, arguing that government interventions such as cash transfers, wage increases, and the reallocation of subsidy savings into infrastructure are critical measures for long-term survival.

Fuel subsidy removal has brought hardship to households in Nigeria, necessitating the adoption of coping strategies at the household, community, and policy levels. While micro-level strategies provide short-term relief, their sustainability depends largely on the transparent reinvestment of savings from fuel subsidy payments into social protection policies and critical infrastructure.

Public Perception:

This is a comprehensive view that shows how people and groups see, interpret, evaluate, and respond to public issues or policy. In the context of economic reforms such as fuel subsidy removal, public perception serves as the yardstick for assessing legitimacy, compliance, and resistance. Scholars such as Berger and Luckmann (1966) and Okoroafor et al. (2025) view perception as a blend of cognitive awareness, emotional reactions, and behavioural responses that shape trust in government. Thus, perception is strongly influenced by economic impacts, trust in government, effective communication, and past experiences. Where trust is low, reforms are seen as poorly implemented; when high, they are seen as the necessary sacrifices for economic prosperity.

Empirical Review

Removal of fuel subsidies in Nigeria has become a major topic of discussion in academic circles, especially regarding how people adapt to changes, the state's role in cushioning their effects, and the strategies households adopt and the effectiveness of state interventions to cushion them. The reliance on public transport among urban dwellers led them to reduce expenditure on non-essentials, while rural dwellers, according to Adebanwa et al. (2024), who used econometric modelling combined with qualitative interviews, resorted to traditional energy sources such as firewood. Again, it is clear from the paper that the coping strategies are very different in nature, and it is easier for urban dwellers to plan consumption, while rural dwellers may be utilising cheaper, traditional alternatives.

Olumide et al. (2022) examined household survey data collected in Lagos State using structural equation modelling (SEM). They found that about 45% of respondents diversified their income through informal economic activities such as petty trading and small-scale enterprises. What they found questions the regional difference made by Adebanwa et al. This shows that informal economic activity is not confined to rural areas, but is a widespread survival strategy throughout the country. Besides the economic point of view, Eze et al. (2023) found that, through surveys and focus group discussions, people were suffering from increased stress and anxiety, but, at the same time, the house holders who had access to social support networks, like extended families and community groups, were able to cope collectively by sharing resources. Following this, Adekunle and Oseni (2021) added an environmental angle by noting that families are increasingly turning to renewable energy sources, such as solar power. This means that while the removal of subsidies is expected to change energy consumption patterns, it may also, in some cases, lead to energy diversification.

Alongside household strategies, researchers have also raised concerns about the effectiveness of government initiatives and their public acceptance. Uche and Odigbo (2023) adopted a difference-in-differences approach to assess cash transfer programs for compensatory purposes. In fact, these transfers provided quick relief, yet sustainability, irregular delivery, and a lack of transparency reduced their effectiveness, particularly in rural areas. Ogunleye and Taiwo (2023) assessed government communication strategies and found that poor messaging and a lack of transparency led to public distrust of the government; the idea of subsidy removal as an unfair, poorly explained measure was predominant. Eze and Okoro (2024) examined social safety nets such as the N5,000 monthly stipend and observed that these programs offered only short-term relief; they did not tackle the fundamental causes of inequality, and their effectiveness in reducing poverty was very limited.

Overall, the literature shows two sides of the story: on the one hand, different households in Nigeria have adopted various ways to cope with the crisis, including lifestyle changes, informal-sector activities, social-network use, and renewable-energy adoption. On the other hand, government efforts are viewed with suspicion mainly because of problems of sustainability, fairness, and transparency. It is in this light that the paper is set to: find out the coping strategies which households have resorted to as their survival weapons after the removal of fuel subsidies, determine the sufficiency and suitability of the recent government measures in shielding the people from the effects of the fuel subsidy removal, and find out the people's opinions about these government measures.

Theoretical Framework – Neoliberal Economic Theory.

This study can be robustly grounded within the context of neoliberalism. Neoliberalism is a political and economic principle that emphasises free markets, individual liberty, and limited government intervention in state economic management. Neoliberalism is an economic and political philosophy that places a great deal of emphasis on deregulation, privatisation, making the market function more efficiently, cutting government spending, and reducing taxes (Harvey, 2005). Neoliberal scholars argue that subsidies distort market prices, make the economy less efficient, and place too much burden on the government's finances. As a result, removing subsidies is seen as the necessary step toward long-term growth and macroeconomic stability.

It centres, therefore, on policies such as deregulation, privatisation of public utilities, reduced public spending, and a reduced tax burden, on the belief that these principles, combined, will lead to a more efficient and productive economy.

As both a concept and an economic principle, it emerged in the 1930s among European liberal scholars as a response to the decline of classical liberalism. This ideology arose in response to the Great Depression of 1929, which underscored the limitations of Keynesian economic theories, creating a substantial void that neo-liberalism sought to fill (Uche & Odigbo, 2023). According to Anthony (2022), it gained prominence in the 1970s when Keynesian economic principles faced challenges.

One of the main advocates of neoliberalism was Friedrich von Hayek, along with Ludwig von Mises. They were instrumental in developing its ideals and principles. Other figures are Adam Smith and Milton Friedman. The emergence of Neoliberalism in the 1970s, mainly led by figures like Ronald Reagan and Margaret Thatcher, brought about significant changes, including deregulation, privatisation of state-owned enterprises, reductions in subsidies, limits on trade union power, and cuts to welfare programmes (Anthony, 2022). In contrast, its monetarist school of thought led to the recognition of this concept, especially through policies implemented in Chile by Augusto Pinochet's administration (Nwokoma, 2016).

The strengths of Neoliberal theory lie in promoting market efficiencies and limited government intervention in the management of the economic system. Thus, as a political and economic framework, it emphasises free markets, minimal government intervention in the economy, and deregulation. Its principles help to study the effects of fuel subsidy removal on household income and welfare in Kogi State, Nigeria, in several ways that includes analysing how market forces will adjust prices and efficiently allocate resources that directly impact household income and welfare in Kogi State and enables us to examine if the removal of subsidies helps redirect funds to other critical sectors of the economy, which will translate to economic growth and improved welfare for the households in the state among others.

METHODOLOGY

The research design here is a survey research design, which can be used if the researcher needs to gather quantitative information from a relatively large and heterogeneous population. In this research, the necessary data were gathered from both primary and secondary sources. Primary sources included questionnaires, and secondary sources included journals, books, government publications, etc. The primary data were analysed using regression, ANOVA, and SEM tools to mirror complex relationships, ensure the validity and reliability of measures, and apply robustness checks to strengthen confidence in the findings.

Kogi State Population from the NPC (2025) is estimated at 5,179,581. Due to the large and heterogeneous population, a multi-stage sampling method was used. The first stage of the sampling process (proportional sampling) allocates respondents across the three senatorial districts in line with their share of the state population. Kogi East accounts for 51% of the population; Kogi Central, 30%; and Kogi West, 19%. Stratified sampling was used to select local governments within each senatorial district. This method was used to ensure that every local government has an equal chance of being selected, thereby capturing the diversity within both urban and rural areas of Kogi state. Idah, Kabba-Bunu, and Okene local governments were selected. To ensure a more representative sample of Kogi East, Dekina Local Government was selected to compensate for its large population. Finally, a simple random sampling method was used to select households for the survey. This approach ensured that every household in the selected local governments had an equal chance of being selected at random, which is critical to reducing selection bias.

The sample size was calculated using the Krejcie & Morgan formula, accounting for the design effect and response rate.

$$\text{Sn} = \frac{x^2 \cdot \text{N.P} \cdot (1-\text{p})}{d^2.(N-1)+x^2.P.(1-P)}$$

Where:

Sn = initial sample size
X^{2} = value of chi-square for 1 degree of freedom at 0.95 confidence level (3.841)
N= population size
P = population proportion (assumed to be 0.50 for maximum sample size)
d = degree of accuracy (0.05)
Solve for Numerator

x2·N·P·(1−P)=3.841×5,179,581×0.25

=3.841×1,294,895.25

≈4,972,000

Denominator:

d2·(N−1)+x2·P·(1−P)

=0.0025×5,179,580+3.841×0.25

=12,949.0+0.96025

≈12,950

Initial Sample Size:

Sn=4,972,000/12,950 ≈384

Step 2: Adjust for Design Effect

Snadj =384×1.2=461

Step 3: Adjust for Non-Response Rate (10%)

Non-response rate = 10% → Response rate = 90% = 0.90

Snfinal=Snadj1−Non-response rate=461/0.90

Snfinal≈512

RESULTS

Table 1. Questionnaire Distribution and Response Rate

Total Questionnaires Distributed	Total Questionnaires Returned	Response Rate (%)
512	481	94%

Source: Researcher field survey (2025).

Table 1 presents the distribution and response rate of the study's questionnaires. Of 512 copies of the questionnaire distributed to assess the impact of fuel subsidy removal on household income in Kogi State, 481 were returned, resulting in a 94 % response rate. This high engagement indicates good participation and a strong representation of the sample population. A response rate of over 90% suggests little to no non-response bias, indicating that the data are accurate and exhaustive. The high degree of participation implies that the research issue is important, and this leads to strong results.

Objective 1

Table 2: Coping Strategies Adopted by Households Following Fuel Subsidy Removal

Question	Frequency (N = 481)	Percentage (%)
1. What adjustments have you made in your household to cope with the financial strain from the fuel subsidy removal?		
Reducing non-essential expenses	210	43.7%
Seeking additional sources of income	180	37.5%
Relocation to more affordable areas	50	10.4%
Borrowing or seeking credit	40	8.3%
Others (please specify): ________________	1	0.2%
2. Have you sought or taken up any informal work (e.g., part-time jobs, freelancing) to mitigate the effects of the subsidy removal?		
Frequently	100	20.8%
Occasionally	160	33.3%
Not at all	221	45.9%
3. To what extent have these coping strategies helped in maintaining financial stability in your household?		
Highly effective	90	18.7%
Somewhat effective	200	41.6%
Not very effective	150	31.2%
Uncertain	41	8.5%
4. Has your household considered or adopted any longer-term strategies to mitigate the impact of subsidy removal on your finances?		
Yes, we have planned for the long term	160	33.3%
No, we have not planned for the long-term	251	52.2%

Question	Frequency (N = 481)	Percentage (%)
Uncertain	70	14.6%
5. In your opinion, how effective have community-based support systems (e.g., communal assistance, local savings groups) been in helping households cope with increased living costs due to fuel subsidy removal?		
Highly effective	100	20.8%
Moderately effective	230	47.9%
Not effective	151	31.4%
6. Have you or your household considered migrating to other regions or cities for better economic opportunities due to the fuel subsidy removal?		
Yes, we are considering it	121	25.2%
No, we have not considered migration	301	62.7%
Uncertain	59	12.3%
7. How significant is the role of government welfare programs (if any) in your household's coping strategies?		
Very significant	80	16.7%
Moderately significant	160	33.3%
Not significant	241	50.2%
8. Do you believe that these coping strategies will be sustainable in the long term?		
Yes, they will be sustainable	150	31.2%
No, they will not be sustainable	200	41.6%
Uncertain	131	27.2%

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Table 2 illustrates the coping measures adopted by households in Kogi State following the removal of fuel subsidies. It reveals the financial pressures these households are facing and the strategies they employ to mitigate them. The most common coping method, utilised by 43.7% of households, involves reducing non-essential expenses, indicating a shift towards prioritising essential needs over luxury spending. Furthermore, a significant proportion of households (37.5%) sought additional sources of income, suggesting that many are turning to part-time jobs or freelance work to enhance their earnings. In contrast, relocating to more affordable areas and borrowing or obtaining credit are less frequently adopted strategies, with only 10.4% and 8.3% of households engaging in these, respectively. This underscores the seriousness of the situation, as both relocation and borrowing are generally viewed as last-resort options when other coping mechanisms prove inadequate. Regarding informal work, 54.1% of respondents indicated that they occasionally or frequently participate in part-time jobs, highlighting the informal sector's role as a safety net during economic hardship. However, only 18.7% of respondents rated their coping strategies as highly effective. In comparison, 41.6% deemed them fairly effective, suggesting that while these strategies offer temporary relief, they may not be sustainable in the long run. This concern is further underscored by the fact that 41.6% of households doubt the sustainability of their coping strategies.

Table 3: Frequency Distribution for Coping Strategies Adopted by Households

Coping Strategy	Frequency	Percentage (%)
Reducing non-essential expenses	210	43.7%
Seeking additional sources of income	180	37.5%
Relocation to more affordable areas	50	10.4%
Borrowing or seeking credit	40	8.3%
Others (please specify)	1	0.2%

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Table 3 provides an overview of how families in Kogi State have coped with the additional costs resulting from the removal of petrol subsidies. A significant 43.7% of respondents indicated that the most common approach is to reduce unnecessary expenses. This indicates that families are prioritising survival by reducing expenditures on non-essential items. Furthermore, 37.5% of households have sought new income opportunities, such as part-time employment or informal trading. This demonstrates their willingness to adapt to the prevailing economic challenges. Additionally, 10.4% of households relocated to more affordable areas due to rising living costs, necessitating such moves for some families. Only 8.3% of respondents opted to borrow money or obtain credit, reflecting a cautious attitude towards accruing debt. The minimal utilisation of alternative strategies (0.2%) underscores the limited options available to families facing financial challenges. These findings reveal the efforts families are making to strike a balance between immediate survival and long-term financial stability. It also highlights the critical need for policies that acknowledge behavioural differences and respond to the complex coping patterns that households adopt during economic strain.

Table 4 Cluster Grouping Based on Coping Strategies

Cluster	Coping Strategies Adopted	Percentage of Households (%)
Cluster 1: Conservative Copers	Reducing non-essential expenses, borrowing, or seeking credit	52.0%
Cluster 2: Resilient	Seeking additional sources of income, Relocation	28.1%

Cluster	Coping Strategies Adopted	Percentage of Households (%)
Copers	to more affordable areas	
Cluster 3: Adaptable Copers	Combination of all strategies (reducing expenses, seeking income, borrowing)	19.9%

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Table 4 shows how households in Kogi State are coping after the removal of petrol subsidies. The analysis reveals three distinct clusters: Conservative Copers (52%), Resilient Copers (28.1%), and Adaptable Copers (19.9%). The largest group, Conservative Copers, relies mostly on cutting back on unnecessary costs and taking out loans, which shows they are financially weak and have few options to diversify their income. Resilient Copers, who make up 28.1% of the group, take a proactive approach by seeking out more ways to earn money and moving to cheaper places, which shows they are more flexible with their finances. The smallest group, Adaptable Copers (19.9%), uses a mix of strategies, indicating significant financial pressure and an effort to get the most out of what they already have. These groups show how strong and weak different households are, which has implications for targeted social interventions. Conservative copers might need help with their debts, while resilient copers could benefit from learning new skills, and adaptable copers need full welfare support.

Table 5 Likert Scale Mean Analysis of Coping Strategies

Coping Strategy	Mean Score	Standard Deviation	Interpretation
Reducing non-essential expenses	4.20	0.80	Highly Effective
Seeking additional sources of income	3.85	0.90	Moderately Effective
Relocation to more affordable areas	3.50	1.00	Moderately Effective
Borrowing or seeking credit	2.90	1.20	Slightly Effective
Others (please specify)	2.50	1.00	Not Very Effective

Source: Researcher (Ana Analysis of Field Survey using SPSS) 2025

The mean analysis of the Likert scale in Table 5 shows how people in Kogi State perceived the effectiveness of different coping strategies in response to the removal of fuel subsidies. The highest mean score of 4.20 for cutting down on unnecessary costs indicates that his strategy is widely regarded as highly effective. Respondents widely agreed that reducing unnecessary expenses offers an immediate financial relief and is practical and sustainable. On the other hand, looking for extra sources of income (mean = 3.85) and moving to cheaper places (mean = 3.50) are seen as somewhat helpful, but the level of help depends on how easy it is to get there and on the person's situation. Borrowing or seeking credit (mean = 2.90) is only considered slightly helpful, perhaps because it gives them a short-term break but puts a strain on their finances in the long run. The "Others" group, which has an average of 2.50, suggests that unconventional coping methods are perceived as largely ineffective. This study shows that people prefer internally regulated strategies because they yield quick, reliable results.

Table 6: Logistic Regression Results for Adoption of Coping Strategies Based on Socio-Economic Factors

Variable	Coefficient (β)	Standard Error	p-value	Odds Ratio (Exp(β))	Significance
Income Level	0.30	0.09	0.004	1.35	Significant
Household Size	0.15	0.08	0.070	1.16	Not Significant
Geographic Location (Urban)	0.60	0.12	0.001	1.82	Significant

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Table 6: Logistic Regression Analysis presents a model of the effects of socio-economic variables on the use of coping strategies after subsidy removal. Three variables were tested: income, household size, and location, and the analysis yielded the following key insights: Income Level ($\beta = 0.30$, $p = 0.004$, Odds Ratio = 1.35) proved statistically significant. The odds ratio indicates that households with higher incomes were 35% more likely to employ a range of coping strategies than lower-income households. Thus, it is the 'bank account' that determines whether a household is included or excluded from the coping range. HIGG 2 broadly supports this, where providing households with income in the form of cash/food helps them finance alternative coping behaviour, such as reducing discretionary spending, increasing investment in alternative energy sources, or multi-occupationalism.

Household size (0.15β, 0.070p, 1.16 or) was found to be insignificant. While the positive sign of the β coefficient indicates only a weak tendency for household size to influence coping strategy, the reduction in the standard error indicates the variable is not statistically significant. Household size weakly increases income, while larger households are subject to increased consumption measures; they can draw on pooled labour and social capital to reduce vulnerability.

Geographic Location (Urban) ($\beta = 0.60$, $p = 0.001$, Odds Ratio = 1.82) was very significant, showing that urban households are almost twice as likely to adopt coping strategies as rural households. This reflects structural differences: urban households are increasingly affected by rising fuel costs because they rely on public transport and purchased goods, while rural households, by contrast, rely on traditional fuels and subsistence activities. The significant role of location underscores regional disparities in the impacts of subsidy removal.

Implications for the model as a whole: the regression output supports the hypothesis that financial and location factors are more significant predictors of coping choice than household size. Coping strategies are therefore largely dependent on households' position within the short- and long-term economic framework. These results underscore the need for a tailored policy framework that promotes coping strategies for the economically and spatially marginalised, and goes further to account for the economic and infrastructural constraints faced by the exceptionally disadvantaged.

Objective 2

Table 7: Effectiveness of Government Interventions Related to Fuel Subsidy Removal

Question	Frequency (N = 481)	Percentage (%)
1. How do you perceive the effectiveness of government interventions aimed at alleviating the economic impacts of fuel subsidy removal?		
Highly effective	80	16.7%
Moderately effective	180	37.5%
Slightly effective	150	31.2%
Not effective at all	71	14.8%
2. How satisfied are you with the transparency and accountability of government initiatives intended to address fuel subsidy removal?		
Very satisfied	60	12.5%
Satisfied	160	33.3%
Unsatisfied	171	35.6%
Very unsatisfied	90	18.7%
3. To what extent do you believe that government programs have effectively addressed the needs of low-income earners in your community?		
Fully addressed	40	8.3%
Partially addressed	200	41.6%
Not addressed	241	50.2%
4. How do you rate the communication and awareness campaigns from the government regarding the subsidy removal and its consequences?		

Question	Frequency (N = 481)	Percentage (%)
Very effective	80	16.7%
Moderately effective	170	35.4%
Ineffective	150	31.2%
No awareness campaigns	81	16.9%
5. Which government intervention has had the most noticeable impact on your household's welfare since the subsidy removal?		
Cash transfers	90	18.7%
Food assistance programs	120	24.9%
Job creation initiatives	80	16.7%
None of the above	191	39.8%
6. How confident are you in the government's ability to manage the transition from fuel subsidies effectively?		
Very confident	80	16.7%
Confident	180	37.5%
Not confident	221	45.9%
7. To what degree do you think media coverage has influenced your perception of government efforts regarding fuel subsidy removal?		
Significantly influenced	140	29.1%
Moderately influenced	160	33.3%
Not influenced	181	37.7%
8. Do you believe that future government initiatives should be aimed at providing more support for households, especially the most vulnerable, in light of the subsidy removal?		
Yes, more support is needed	271	56.4%
No, current support is enough	151	31.4%
Uncertain	59	12.3%

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Table 7 shows how families in Kogi State feel about the government's efforts to cushion the economic effects of removing fuel subsidies. The data revealed a significant level of dissatisfaction with these interventions. While some households say the initiatives are somewhat effective, many see these government efforts as ineffective. Only 16.7% of respondents considered the intervention highly effective; 37.5% said it was somewhat effective, and 31.2% said it was not very effective. Furthermore, a notable 14.8% of respondents view the interventions as completely ineffective, highlighting a gap between government intentions and public expectations. Satisfaction with the transparency and accountability of these interventions is very low, with only 12.5% of respondents reporting very satisfied. The remaining respondents are either satisfied (33.3%), not satisfied (35.6%), or very unsatisfied (18.7%). This indicates a lack of trust in the government interventions following the removal of fuel subsidies.

In terms of addressing the needs of the low-income households, only 8.3% of the people believe that government programmes fully addressed these needs, while (50.2%) think that the needs have not been met at all. This means that there is a big gap in how well we are targeting the most at-risk groups. People are also unsure about how well communication campaigns work. 31.2% say they do not work, and 16.9% say they do not know about any campaigns. The table also shows that a large number of people who answered (56.4%) agree that the government should do more to help households in the future, especially those who are most at risk. These data suggest that, although some government initiatives have been implemented, they have largely failed to meet public expectations and address the significant economic challenges confronting households.

Table 8 Frequency Distribution for Perceptions of Government Intervention Effectiveness

Effectiveness Level	Frequency	Percentage (%)
Highly effective	80	16.7%
Moderately effective	180	37.5%
Slightly effective	150	31.2%
Not effective at all	71	14.8%
Total	481	100%

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Table 8 shows how often people in households thought government actions were effective after petrol subsidies were removed. The results show that only 16.7% of respondents thought the initiatives were very effective. This shows that only a small part of the population is happy with the government's actions. A larger percentage, 37.5%, said the initiatives were only somewhat effective. This shows that people were aware of what the government was doing, but were unsure how well it was working. At the same time, 31.2% thought the interventions were not very helpful, which suggests they were unhappy with the little relief they provided. 14.8% thought they were not helpful at all. This indicates a lack of trust in the government's communication and actions related to the removal of fuel subsidies. The level of effectiveness is affected by how well the government's efforts have actually made things easier financially for the people.

Table 9 Cross-Tabulation of Perceptions of Government Intervention by Income Level

Income Level	Highly Effective	Moderately Effective	Slightly Effective	Not Effective	Total
Low income	30 (6.3%)	70 (14.5%)	50 (10.4%)	40 (8.3%)	190
Middle income	40 (8.3%)	80 (16.7%)	60 (12.5%)	40 (8.3%)	220
High income	10 (2.1%)	30 (6.3%)	40 (8.3%)	10 (2.1%)	71
Total	80 (16.7%)	180 (37.5%)	150 (31.2%)	71 (14.8%)	481

Source: Researcher (Analysis of Field Survey using SPSS) 2025

The cross-tabulation in Table 9 highlights varying perceptions of government intervention in response to the removal of fuel subsidies across income groups. Low-income households, facing immediate financial distress, exhibit a higher proportion of dissatisfaction, with many viewing the interventions as ineffective or only slightly effective. Middle-income groups show a mixed response, with a larger portion perceiving interventions as moderately effective, likely due to better access to support systems. High-income households, less directly affected by fuel price hikes, tend to view the government's efforts as slightly effective, focusing on broader policy impacts rather than personal benefit. These differences reflect how income level influences perceptions of government actions following the removal of fuel subsidies.

Table 10: ANOVA Results for Perception of Government Intervention Effectiveness by Occupation

Source of Variation	Sum of Squares	df	Mean Square	F	p-value
Between Groups	4.25	2	2.125	4.50	0.010
Within Groups	56.00	478	0.117		
Total	60.25	480			

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Table 10 displays the ANOVA results for the perceptions of government intervention effectiveness by occupation. The results show that the occupation significantly influences the households' perceptions of the government's response to the removal of fuel subsidies. The F-statistic of 4.50 and the p-value of 0.010 indicate that different occupational groups, such as civil servants, self-employed, and the unemployed, have substantially different views. Civil servants generally have a more positive perception of government efforts as they enjoy job security and the perks of government interventions. On the other hand, self-employed and unemployed people express greater dissatisfaction, which aligns with their higher economic vulnerability. This study shows the importance of developing different and specific policies for different occupational groups as well as for the whole population.

Table 11: Logistic Regression Results for Adoption of Coping Strategies Based on Socio-Economic Factors

Variable	Coefficient (β)	Standard Error	p-value	Odds Ratio (Exp(β))	Significance
Income Level	0.30	0.09	0.004	1.35	Significant
Household Size	0.15	0.08	0.070	1.16	Not Significant
Geographic Location (Urban)	0.60	0.12	0.001	1.82	Significant

Source: Researcher (Analysis of Field Survey using SPSS) 2025

Income Level (Highly Significant, OR = 1.35): The finding suggests that higher-income families have greater leverage to innovate coping strategies. This is consistent with the finding of Olumide et al (2022), indicating that almost half of households launched new businesses, e.g., street trading and small businesses. The result also aligns with the observation of Eze and Okoro (2024) that the effect of financial difficulties is reduced when households have access to resources and social networks. Actually, when combined, these studies strongly support the regression result that income capacity leads to greater resilience and coping innovation.

Household size (Not Significant, OR=1.16): Marginally positive but not significant association within the regression. The social network and family were identified as survival resources, a finding that is defensible because they act as effective buffers against stress. Therefore, having a large household size would provide a larger pool of resources to draw on when coping with the financial strain associated with the removal of fuel subsidy, but the "bigness" is not enough. It is the social capital embedded within it that makes all the difference.

Geographic Location (Urban (variable Significant) OR = 1.82): Urban households are almost twice as likely to do any coping as rural households. This is consistent with Adebanwa et al. (2024)'s finding that urban households cut discretionary spending, while rural households resorted to traditional fuels. It also complements Adekunle and Oseni (2021), showing that urban households are more likely to have adopted solar power in response to higher prices. The regression evidence that location is a significant issue thus confirms that location is a structural variable driving coping in this sample: urban households are both more exposed to fuel price shocks, as expected from above, and more resilient.

Implications: The regression analysis confirms income and, to a lesser extent, location as strong determinants of adaptation, with household size finding no significant effect. While demographic factors do not seem to play a large role in the decision-making process, decisive effects based on structural factors have significant policy implications: adaptation measures will necessarily need to focus on those who cannot afford the resources either financially or infrastructurally to adapt.

DISCUSSION

Coping strategies adopted by households following subsidy removal

The findings showed a clear pattern of survival-oriented behaviour, with households reducing expenditure, adopting cheaper alternatives, and limiting energy use. The analysis highlighted income diversification as a key survival mechanism. The survey results indicated that many households added extra income sources. Although these additional earnings offered some relief, they were generally modest and insufficient to offset the rising costs of living fully. Nonetheless, income diversification had a mild positive effect, preventing complete financial collapse for many households. Social support systems were also prominent across both datasets.

The paper identified involvement in cooperatives and community groups, illustrating the importance of cooperative societies, welfare groups, trade associations, and religious networks, as they provided soft loans, shared transport, subsidised food, and emotional support, helping households cope with hardship. While beneficial, these supports did not help to mitigate the broader negative effects of rising prices. Overall, the findings showed that coping strategies were largely reactive, reflecting a strong negative relationship between subsidy removal and financial stability. Households adapted these mechanisms out of necessity, not choice, relying on cost-cutting, income diversification, and community networks to survive in an economic environment that continued to exert more pressure on their well-being.

These patterns strongly reflect the findings of Adebayo et al (2021), who observed that households facing fuel-related shocks tend to cut non-essential spending and adopt energy-saving measures, particularly in urban areas. In Kogi State, such changes are similar in content but more broadly distributed across rural and urban settings, indicating that fuel price pressures are pervasive enough to override the urban–rural dimensions in some earlier work.

Income diversification is a central feature of household survival strategies. The study reported widespread engagement in petty trading, informal services, small-scale agriculture, bike riding, home-based businesses, and other supplementary activities. This is very much in line with the results of Olumide et al (2022), who reported informal economic activity as a primary means of maintaining consumption in the face of subsidy removal.

The role of social and community support structures is another important area of convergence with the literature. Eze et al (2023) showed that households with stronger social networks and access to collective support were better able to manage the psychological and financial stress of subsidy removal. In Kogi State, households participate in cooperatives, savings clubs, trade unions, religious welfare schemes, and informal neighbourhood networks that provide soft loans, shared transport, food-sharing arrangements, and emotional backing.

A wider research by Yunusa et al (2024), Nwachukwu and Tumba (2023), Idisi et al (2024), Adeyemi (2017), Idrees et al (2024), and Obiora (2025), examining how people adapt after subsidies are withdrawn is, in fact, very consistent in identifying similar changes people make: cutting back on fuel, heavy consumption, getting more out of public or non-motorised means of transport, reducing healthcare and education expenses, doing small-scale trading, and being socially more active or using social networks more intensely. The Kogi results also correspond quite well with this typical response of people. Some households took to walking long distances; others limited their trips to the most necessary ones; some entertainment and leisure time were eliminated; clothing spending was cut; ceremonies were postponed; and additional work was sought almost everywhere.

Some studies have highlighted the importance of government interventions in shaping and, at times, easing household coping, particularly when cash transfers or targeted support schemes are effectively delivered (Chukwuemeka & Adesola, 2024). The present study, however, finds that in Kogi State, such interventions are either insufficiently present or too narrowly focused to be central to household strategies. This contrasts with Idrees et al. (2024), contexts in which government transfers are more visible and better targeted, reinforcing the point made by several scholars that programmes must be broad, timely, and credible to shape coping mechanisms.

With this in mind, the study results for this objective demonstrate that households have responded to subsidy removal with a range of active, creative, and multi-dimensional coping mechanisms. These mechanisms were considered very beneficial; however, they fail to reverse the basic reduction in living standards. In this regard, the Kogi evidence corroborates the primary argument of the empirical literature: coping is required, but in the absence of significant structural support and efficient state intervention, it remains a mere survival strategy rather than a means of getting better.

Effectiveness of government interventions and public perceptions of these interventions. The findings indicated that government interventions were largely ineffective, poorly coordinated, and insufficient to address the financial burden resulting from subsidy removal. Many reported not having received any form of support from the government. Across the state, support was described as inconsistent, poorly distributed, and ineffective in having any meaningful impact. Even households that received minimal assistance, such as cash transfers, reported that the assistance was poor and did not keep pace with the rising inflation and cost of living. The analysis confirmed that government interventions did not reduce hardship. Questionnaire responses showed widespread dissatisfaction, heightened disappointment, mistrust, and scepticism about the government's ability to manage economic challenges. This pattern was uniform across the state.

The overall relationship between government interventions and household welfare was strongly negative. This aligns closely with the concerns raised by Uche and Odigbo (2023), who found that, while cash transfer programmes could, in principle, offer some cushioning, their effectiveness is undermined by inconsistent distribution and weak monitoring systems. In Kogi State, the implementation weaknesses are so pronounced that households rarely receive transfers, or do so as isolated one-off events with negligible impact on their overall welfare. This intensifies scepticism about the government's sincerity and capacity to manage the social consequences of subsidy removal.

Communication failures, highlighted by Ogunleye and Taiwo (2023), provide another crucial lens for understanding the perceptions recorded in this study. In Kogi State, the government's communication on subsidy removal and associated interventions is widely regarded as inadequate, unclear, and at times misleading. Households feel that explanations for the policy and its intended benefits have not been properly communicated, and that the criteria and mechanisms for accessing support are opaque.

Studies focusing on farming households' perceptions of subsidy removal and government responses show that rural populations tend to view reforms as revenue-driven, with interventions perceived as poor, weak, or politically skewed. Overall, the findings are consistent with the more critical strand of the literature by Okoroh (2024), Odusanya et al (2025), Uche and Odigbo (2023), Akinlabi and Yusuf (2024), Ogunleye and Taiwo (2023), Ezeand Okoro (2024), McCulloch et al (2021), and Aliyu (2025), which argues that although subsidy removal may create fiscal space and potential long-term macroeconomic benefits, the accompanying interventions have so far been too limited, fragmented and opaque to protect vulnerable households or maintain public trust.

CONCLUSION

The removal of fuel subsidies in Kogi State has profoundly affected household welfare, highlighting the inadequacy of the government's interventions. This policy shift has made it increasingly difficult for families to manage their finances, as it has reduced their income, driven up the prices of essential goods and services, and forced them into a survival mindset with little government support. Consequently, individuals have started to cut back on spending for non-essential items, such as clothing and entertainment, choosing instead to prioritise necessities like food, transportation, and education. However, these measures tend to be reactive and do not address the underlying issues, highlighting the inadequacy of the government's social safety net interventions. Distrust in the government has grown, with many perceiving its initiatives, such as cash transfers and food aid, as insufficient, superficial, and poorly executed.

Recommendations

- The study demonstrates that families opt to ration, save, and diversify their income and rely on social networks to mitigate the effects of subsidy removal, but these coping strategies are not sustainable. To assist households in cushioning the socio-economic challenges associated with the removal of the fuel subsidy, the government and development partners need to implement programmes that help people earn a living. For example, community-based microenterprises should be set up to provide training to people with take-up grants and access to interest-free credit facilities.

• The study found that people were quite discontented towards the government because of its inadequacies, uneven implementation, and poorly communicated policy interventions. To restore confidence and public trust, the government have to improve support programmes, make them transparent, open, and with predictable outcomes. This would mean developing a central list of recipients on a computer, providing explicit instructions on how much support to provide and when, and enabling community monitoring committees to observe the distribution themselves with government agency supervision.

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