

## Fuel Subsidy Removal and Coping Strategies of Civil Servants in Yenagoa District, Bayelsa State, Nigeria

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**Abstract****Original Research Article**

This study examined fuel subsidy removal and coping strategies of Civil Servants in Yenagoa, Bayelsa State. The study was specifically carried out to assess the impact of fuel subsidy removal on the financial well-being of civil servants and identify the coping strategies adopted by civil servants in response to increased fuel prices in Yenagoa. The research design adopted for this study was the descriptive survey design. The population of the study was 2700 civil servants in Yenagoa. The Taro Yamane formula was adopted to obtain a sample size of 394 respondents. The instrument for data collection was a Questionnaire titled "Fuel Subsidy Removal and Coping Strategies of Civil Servants Questionnaire (FSRCSCSQ)". The collected data were presented with frequency distribution and percentage tables. The findings revealed a negative impact of fuel subsidy removal on the financial well-being of civil servants, and as a result adopted increased use of public transportation and negotiation of flexible work arrangements as coping strategies. It was recommended, amongst others, that the government should implement targeted financial assistance programmes aimed specifically at civil servants. This includes subsidies or allowances to offset transportation costs or financial support for essential expenses.

**Keywords:** Fuel Subsidy Removal, Coping Strategies, Civil Servants, Financial Well-Being, Yenagoa.

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### INTRODUCTION

Nigeria, like many developing nations, has long grappled with the complexities of fuel subsidy policies. Fuel subsidies, intended to reduce the pump price of petroleum products, have historically aimed to make fuel affordable and support economic activities (Adeyemi & Ojo, 2018; World Bank, 2019). However, these subsidies have often been criticized for inefficiency, corruption, and disproportionate benefits to higher-income groups (Azal de Granado *et al.*, 2012; Civic Keypoint, 2023). In response to economic pressures, the Nigerian government has periodically attempted to remove fuel subsidies, with the most recent full removal announced in 2016 and revisited under the administration of President Bola Ahmed Tinubu in 2023, which led to a sharp increase in fuel prices (Garba, 2023). While such measures are aimed at improving fiscal sustainability, attracting private investments, and reducing market distortions, they carry significant social and economic implications for citizens, particularly civil servants, who rely heavily on personal and public transportation for daily commuting and official duties (Ibrahim, 2020; Umeji & Eleanyi, 2021).

The removal of fuel subsidies has been identified as a policy intended to free up government resources for critical sectors, including healthcare, education, and infrastructure, while also promoting deregulation and private sector participation in the downstream petroleum sector (Onwuamaeze & Ekeghe, 2020; Yunusa *et al.*, 2023). In theory, subsidy removal could stimulate economic growth, reduce smuggling and black-market activities, stabilize foreign exchange, and enhance government revenue. However, abrupt price increases have direct consequences on the financial well-being of civil servants, influencing their disposable income, commuting costs, and overall job satisfaction, which in turn may affect productivity in public service delivery (Mohammed *et al.*, 2023; Akpo *et al.*, 2023).

Fuel subsidy can be defined as government financial support to ensure fuel is sold below its importation cost (Kadiri & Lawal, 2016; Civic Keypoint, 2023). Its removal represents the cessation of government compensation for the difference between market price and pump price, effectively subjecting fuel pricing to full market forces (Garba, 2023). Empirical studies have documented the socio-economic impacts of

subsidy removal on various groups. Mohammed *et al.*, (2023) reported that civil servants faced increased commuting costs and reduced job satisfaction, recommending salary adjustments and provision of transport services as mitigating measures. Similarly, Akpo *et al.*, (2023) found that university lecturers experienced financial hardship due to rising living costs without corresponding wage increases, underscoring broader implications for work efficiency and standards of living. Yunusa *et al.*, (2023) added that although subsidy removal could promote economic benefits such as private sector growth and market efficiency, it has simultaneously worsened poverty levels and raised living costs for low- and middle-income households. In a related study, Oigochie (2025) assessed subsidy removal and civil service efficiency using a mixed-methods design with 354 respondents from 27 ministries in the Federal Capital Territory. Findings showed that subsidy removal undermined staff mobility, enforcement efficiency, and service delivery, leading to recommendations for targeted policy interventions to cushion civil servants. Similarly, Ezuem and Agada (2024), using survey and statistical analysis in Taraba State, revealed a significant negative effect of subsidy removal on standard of living, recommending an upward review of the minimum wage to mitigate the welfare burden on civil servants. This study is grounded in the Price Elasticity of Demand theory, which posits that changes in the price of a commodity influence the quantity demanded based on consumers' responsiveness (Marshall, 1890). Applied to fuel subsidy removal, an increase in fuel prices reduces demand for fuel-intensive activities, disproportionately affecting civil servants and households with limited financial flexibility. The theory helps explain the paradox of sufficient fuel supply amidst decreasing affordability, illustrating how subsidy removal, while intended to promote market efficiency, may inadvertently contribute to economic strain and social discontent (Samuelson, 2020).

Despite the government's rationale for removing fuel subsidies, including fiscal savings, economic efficiency, and private sector development, the policy has had tangible negative effects on civil servants' financial well-being. Sudden fuel price hikes increase commuting costs, reduce disposable income, and influence job satisfaction and productivity (Mohammed *et al.*, 2023; Akpo *et al.*, 2023). While extensive research has explored the macroeconomic implications of subsidy removal, less attention has been given to the coping strategies adopted by civil servants in response to these challenges. This study seeks to bridge that gap by examining both the impact of fuel subsidy removal on the financial well-being of civil servants in Yenagoa, Bayelsa State, and the strategies they employ to cope with increased fuel prices.

## MATERIALS AND METHODS

### Research Design

According to Esene (2015), research design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose. Kothari (2014) noted that the research design is the conceptual structure within which a study is conducted; it constitutes the blueprint for the collection, measurement, and analysis of data. Thus, the research design that was adopted in this study is a descriptive survey design.

### Population of the Study

The population of this study includes residents of Yenagoa who are civil servants of the Bayelsa State Civil Service Commission, but limited to only senior and junior staff of selected ministries, agencies, and parastatals. The state has 24 ministries and agencies with a total workforce of 27000 (Yeibo, 2023).

### Sample and Sampling Techniques

A sample is used in research work when it is difficult to study the entire population. Determination of the sample size was done using the formula proposed by Taro Yamane (1967). Yamane's formula is given by:

The sample size was  $n = \frac{N}{1 + N(e)^2}$  calculated to be  $n = 394$

### METHOD OF DATA COLLECTION

In this study, data were collected through primary and secondary sources. The secondary sources of data, such as journal articles, were used for the literature, while the primary sources from the questionnaire were used for data analysis in this study.

### Instrumentation

The instrument for data collection was a Questionnaire titled "Fuel Subsidy Removal and Coping Strategies of Civil Servants Questionnaire (FSRCSCSQ)". The FSRCSCSQ was structured into sections 'A' and 'B'. The section 'A' collected socio-demographic data about the respondents, while the section 'B' contained multiple-choice closed-ended question items.

### Method of Data Analysis

The data collected was analysed with descriptive statistics such as frequency count and percentage distribution tables.

### Study Area/Locale

The study area is Yenagoa metropolis in Yenagoa Local Government Area. Yenagoa is the State Capital of Bayelsa. The city of Yenagoa is located within latitude 4°55'N, 5°02'N of the equator, and longitude 6°15'E, 6°24'E of the green wish meridian. The population of Yenagoa has been growing rapidly since 1996, when it became the capital of Bayelsa State. The population has increased from about 50,000 people in



**Table 1: Administration and Retrieval of Questionnaire**

	N	%
Copies of Questionnaire Administered	394	100
Completed and Returned Copies of Questionnaire	312	79.19
Copies not Returned	82	20.81

*N = frequency, % = Percent*

Table 1 shows that 394 copies of the questionnaire were sent to the target respondents. Out of which 312, representing 79.19% questionnaires were returned. Consequently, the 312 copies of the

questionnaire that are valid are used in this study's analysis.

#### Demographic Data

This section describes socio-demographic information of the respondents in terms of gender, age, occupation, etc.

**Table 2: Socio-demographic variables of Respondents**

Variables	N	%
<b>Gender</b>		
Male	180	57.7
Female	132	42.3
<b>Age</b>		
18-25	0	0
26-33	13	4.2
34-41	197	63.1
42-49	78	25.0
50 & above	24	7.7
<b>Marital Status</b>		
Single	84	26.9
Married	189	60.6
Divorced/Separated	23	7.4
Widowed	16	5.1
<b>Educational Qualification</b>		
SSCE	21	6.7
HND/B.Sc.	248	79.5
Masters	33	10.6
Others	10	3.2
<b>Other Occupations</b>		
Farming	38	12.2
Fishing	15	4.8
Petty trading	97	31.1
Artisan	43	13.8
Palm oil milling	26	8.3
Lumbering	5	1.6
Others	88	28.2

Table 2 shows the socio-demographic information of the respondents. The results obtained in Table 2, show that 57.7% of the respondents are male, while 42.3% are female. This implies that the respondents are made up of more men than women. In terms of age, 4.2% of the respondents are within the age group of 26-33 years, 63.1% were within the ages 34-41 years, 25% fall within 42-49 years, while 7.7% were 50 years and above. This implies that the majority of the respondents were within the age group 34-41. The table also shows the marital distribution of respondents. 26.9% of the respondents are single, 60.6% are married, 7.4%

are divorced/separated, while 5.1% are widowed. Concerning the educational qualification of respondents, the table shows that 6.7% are SSCE holders, 79.5% are either B.Sc. or HND holders, 10.6% are Master's degree holders, while 3.2% had other forms of education. Furthermore, the table showed other forms of occupation engaged by respondents. The results showed that 12.2% are into farming activities, 4.8% into fishing, 31.1% are into petty trading, 13.8% are artisans, 8.3% are into palm oil milling, 1.6% are into lumbering activities, while 28.2% are into other non-listed forms of occupation.

**Table 3: Impact of fuel subsidy removal on the financial well-being of civil servants**

Items	Response Categories	N	%
How would you rate your financial well-being before the removal of fuel subsidies?	Very good	45	14.4
	Good	163	52.3
	Average	98	31.4
	Poor	6	1.9
	Very poor	0	0
Do you believe that the removal of fuel subsidies has negatively impacted your financial well-being?	Yes	258	82.7
	No	36	11.5
	Undecided	18	5.8
How would you rate your financial well-being after the removal of fuel subsidies?	Very good	3	1.0
	Good	18	5.7
	Average	15	4.9
	Poor	197	63.1
	Very poor	79	25.3

Table 3 shows the impact of fuel subsidy removal on the financial well-being of civil servants in the study area. The study shows that about 66.7% of the respondents indicated that before the removal of fuel subsidy, their financial well-being was above average. The results also showed that 82.7% of respondents were negatively affected by the removal of the fuel subsidy.

However, 11.5% indicated that the removal of fuel subsidy did not negatively affect their financial well-being, while 5.8% were undecided. Results on the aftermath of the fuel subsidy removal showed that only 11.6% of respondents' financial well-being is above average.

**Table 4: Coping strategies adopted by civil servants in response to increased fuel prices**

Items	Response Categories	N	%
What coping strategies have you adopted to manage the increased cost of transportation and fuel prices in Yenagoa?	Using public transportation more frequently	92	29.5
	Carpooling with colleagues or friends	121	38.8
	Using alternative modes of transportation (e.g., cycling, walking)	99	31.7
Did you negotiate flexible work arrangements to ease the cost of transport?	Yes	223	71.5
	No	63	20.2
	Undecided	26	8.3
Did you engage in other activities as additional/alternative sources of income due to increased fuel prices?	Yes	193	61.8
	No	91	29.2
	Undecided	28	9.0

Table 4 shows coping strategies adopted by civil servants as a result of the increased fuel prices in the study area. 29.5% of the respondents indicated that they use public transportation more often, 38.8% carpool with colleagues, while 31.7% use alternative means like

cycling and walking to their places of work. The majority of respondents also negotiated flexible work arrangements and engaged in other income-generating activities to reduce the severity of increased fuel prices in the study area.

**Table 5: Measures that can reduce the impact of fuel subsidy removal on Civil Servants**

Items/Variables	Frequency	Percentage (%)
Government subsidies for public transport	24	7.69
Salary increment or allowances	181	58.01
Tax relief or rebates	7	2.24
Fuel price regulation	97	31.09
Others	3	0.96
<b>Total</b>	<b>312</b>	<b>100</b>

Table 5 indicates the measures that can be taken to reduce the impact of fuel subsidy removal on Civil Servants. It was observed from the results that salary increment was the highest measure to reduce the impact of fuel subsidy removal with 58.01%, closely followed by fuel price regulation with 31.09%, followed government subsidies for public transport schemes, tax rebates were the least with 2.27%.

## DISCUSSION

The study examined fuel subsidy removal and coping strategies of Civil Servants in Yenagoa, Bayelsa State. The impact of fuel subsidy removal on the financial well-being of civil servants was negative, as revealed by the findings. The significant negative impact reported by a substantial majority of respondents signals heightened financial strain post-subsidy removal. This

finding underscores the vulnerability of civil servants to policy changes that directly impact their economic stability. The implications of this vulnerability extend beyond individual financial hardships and have broader socio-economic repercussions. Firstly, the findings suggest that civil servants, who often form a sizable portion of the middle-income group in society, are particularly sensitive to fluctuations in fuel prices. The increased financial strain can lead to reduced purchasing power, affecting their ability to meet basic needs and contribute to local economic activities. This can create a ripple effect, impacting businesses that rely on civil servants as customers, thereby potentially dampening economic growth and stability in the region. The findings align with recent studies indicating that the removal of fuel subsidies has led to increased transportation costs and financial strain among civil servants. For instance, a study conducted by Ezuem and Agada (2024) in Taraba State reported that 84.87% of respondents agreed that subsidy removal led to higher transportation fares, food prices, and increased financial obligations, thereby diminishing their financial welfare. Similarly, Oigochie (2025) found that subsidy removal affected staff mobility, enforcement efficiency, and overall service delivery, highlighting the broader implications of subsidy removal on work efficiency and standards of living.

In terms of coping strategies adopted by civil servants, the findings underscored their resilience and adaptive capacity in response to economic challenges. The increased use of public transportation, carpooling, and alternative modes of transportation reflects efforts to reduce transportation costs, which are directly impacted by fuel prices. This adaptive behavior not only helps individuals manage immediate financial burdens but also contributes to environmental sustainability by reducing carbon emissions from multiple vehicles. The significant portion of civil servants negotiating flexible work arrangements further emphasizes the need for organizational flexibility and support in times of economic turbulence. Flexible work arrangements, such as telecommuting or adjusted work hours, can alleviate transportation costs and improve work-life balance, ultimately enhancing employee well-being and productivity. These findings are consistent with those of Mohammed *et al.*, (2023), who reported that civil servants experienced increased commuting costs and decreased job satisfaction following subsidy removal, recommending government intervention in salary adjustments and provision of transport services. Similarly, Akpo *et al.*, (2023) found that university lecturers faced financial difficulties due to rising living costs without corresponding salary adjustments, highlighting the broader implications of subsidy removal on work efficiency and standards of living. Yunusa *et al.*, (2023) further emphasized that while subsidy removal could drive economic benefits such as increased private sector participation and improved market efficiency, it

simultaneously exacerbates poverty levels and living costs for low- and middle-income households.

The findings further provide insights into potential measures that can be put in place to reduce the impact of fuel subsidy removal on Civil Servants in Yenagoa. Among the options considered, salary increment or allowances emerged as the most favoured measure, closely followed by fuel price regulation. This indicates a strong belief among civil servants that increasing their income directly addresses the financial strain caused by fuel price hikes. Maintaining stability and predictability in fuel prices is crucial for civil servants to manage their budget effectively and plan for transportation expenses. Government subsidies for public transport schemes received a relatively lower but still notable endorsement. This suggests recognition of the role public transport subsidies can play in easing the burden of increased fuel costs, especially for those reliant on public transportation for daily commuting. This aligns with the recommendations of Oigochie *et al.*, (2025), who suggested that 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.

## CONCLUSION

The study examined the impact of fuel subsidy removal on the financial well-being of civil servants in Yenagoa, Bayelsa State, and the coping strategies they adopted in response to increased fuel prices. Using a descriptive survey design, data were collected from 394 respondents selected from a population of 2,700 civil servants through a validated questionnaire. The findings revealed that the removal of fuel subsidies significantly increased financial strain among civil servants, highlighting their vulnerability to economic policy changes. To cope, many respondents resorted to increased use of public transportation, carpooling, and negotiating flexible work arrangements. The study further indicated that measures such as salary increments, fuel price regulation, and public transport subsidies could alleviate the financial burdens imposed by subsidy removal. Based on these findings, it is recommended that targeted financial assistance programmes, flexible work arrangements, and financial literacy workshops be implemented to support civil servants in managing the economic challenges associated with fuel subsidy removal, thereby enhancing their resilience and overall well-being.

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