

IMPACT OF FUEL SUBSIDY REMOVAL ON NIGERIANS' LIVING STANDARDS: A TWITTER-BASED ANALYSIS

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ABSTRACT: This study examines the impact of fuel subsidy removal on the living standards of Nigerians, with a particular focus on conversations on Twitter (now X). Following the government's decision to eliminate oil subsidies, there are growing concerns about rising fuel prices and their effects on daily life. This research employs contents analysis of tweets related to this policy shift, spanning from the Goodluck Jonathan administration to the present. The objectives are threefold: to evaluate how subsidy removal has influenced the cost of living, to identify prevalent public concerns and sentiments, and to explore coping mechanisms discussed online. The findings indicate a significant rise in living costs, with users expressing frustration, anger, and despair regarding inflation and decreased purchasing power. Many lower-income individuals feel disproportionately affected, highlighting the policy's broader socioeconomic implications. Coping strategies shared among users reveal a resilient yet strained population adapting to new economic realities. This analysis underscores the importance of considering public sentiment in policymaking and suggests the need for targeted interventions to support vulnerable groups amid ongoing economic challenges.

Keywords: Fuel, Subsidy, Nigerians, Twitter, Cost.

INTRODUCTION

The petroleum sector has not only played a dominant and strategic role in the Nigerian economic growth trajectory but also been fundamental in achieving the country's vision of becoming one of the 20 leading economies of the world by the year 2020 (Musa et al, 2014). This highlights the importance of this sector in shaping the "now and then" economic structure of the country. Nigeria, Africa's largest oil producer, has a long history of subsidizing fuel prices for its citizens. These subsidies were initially implemented to make fuel more affordable for the general population and stimulate economic activity. However, the policy has faced criticism for its economic burden and inefficiency. Concerns have been raised about the high cost of oil subsidies, which strain the national budget and limit resources for other crucial areas, such as education and healthcare. Additionally, the subsidy system has been marred by corruption and inefficiencies, with a significant portion of the benefits not reaching the intended recipients (Adenikinju, 2009).

Recognizing these challenges, the Nigerian government recently made a significant policy shift by removing oil subsidies. This decision aims to reduce the financial burden on the government, combat corruption, and potentially free up resources for investment in social development projects. A key concern surrounding the removal of oil subsidies is their potential impact on the living standards of Nigerians. Fuel prices are a significant factor in transportation costs, which in turn affect the prices of goods and services. An increase in fuel prices due to subsidy removal could lead to an increase in the cost of living, potentially causing hardship for many citizens (Agbonga, 2019).

Various methods have been adopted by the populace to express their view and observations of the consequences of oil subsidy removal in Nigeria. Hence, this study follows this trend and adopts social media platforms such as Twitter, which have become powerful tools for public discourse in Nigeria. Nigerians use Twitter to express their opinions, share experiences, and engage in discussions on various social and economic issues. Analysing Twitter conversations provides a valuable window into public sentiment and concerns regarding the recent removal of oil subsidies (Ezeudu, & Adiegwu, 2019).

Statement of the Problem

The Nigerian government recently removed oil subsidies, a policy intended to reduce the financial burden, combat corruption, and potentially free up resources for social development. However, a significant concern is the potential impact of rising fuel prices on the living standards of Nigerians. The full extent of the impact of oil subsidy removal on the cost of living in Nigeria is not yet fully understood (Ocheni, 2015).

It remains unclear how Nigerians perceive the impact of subsidy removal on their daily lives. While economic models can predict potential outcomes, real-time public sentiment regarding these changes remains largely unexplored. This study explores how public sentiment, as expressed through Twitter, reflects the socio-economic impact of fuel subsidy removal in Nigeria.

Objectives of the Study

The main objective of this study is to evaluate the impact of fuel subsidy removal on the living standards of Nigeria, with a particular focus on Twitter conversation. Other specific objectives are to

- i. discover how subsidy removal has affected the cost of living on the basis of public tweets.
- ii. determine the most prevalent concerns and sentiments expressed on Twitter regarding living standards after subsidy removal
- iii. analyse the coping mechanisms discussed on Twitter in response to the rising cost of living

Research Questions

This research project aims to bridge this knowledge gap by analysing Twitter conversations in Nigeria. With Twitter serving as a prominent platform for public discourse, we can investigate the following:

1. How does subsidy removal affect the cost of living on the basis of public tweets?
2. What are the most prevalent concerns and sentiments expressed on Twitter regarding living standards after subsidy removal?
3. Are there coping mechanisms discussed on Twitter in response to the rising cost of living?

Significance of the Study

The removal of oil subsidies in Nigeria is a significant economic policy shift with potential consequences for the living standards of millions of citizens. This research project, by analysing Twitter conversations, offers valuable insights that contribute to several areas. Understanding public opinion through social media analysis can provide valuable insights into the effectiveness and potential social consequences of oil subsidy removal policies. This research can inform future policy decisions by highlighting the real-world impact on citizens' lives. Additionally, it can contribute to the public understanding of the complexities surrounding oil subsidy removal and its potential benefits and drawbacks.

Policymakers often rely on economic data and expert opinions. This research can inform policy decisions by highlighting the real-world impact of subsidy removal on people's lives. Tweets can reveal unforeseen issues and illuminate areas requiring further policy adjustments or social safety nets. By exploring the link between online discourse and economic policies, this research contributes to social science research methodologies. This demonstrates the potential of social media analysis to capture real-time public opinion and inform policy discourse surrounding economic development strategies.

Scope of the Study

This research aims to provide a focused analysis of public sentiment regarding the impact of oil subsidy removal on living standards, as reflected in Twitter conversations. It will offer insights into the concerns, coping mechanisms, and potential challenges Nigerians face due to rising fuel prices.

The research will focus more on the identification of key themes and concerns surrounding subsidy removal on Twitter, analysis of public sentiment regarding the impact on living standards (positive, negative, or neutral) and insights into potential coping mechanisms discussed online (e.g., transportation alternatives, budgeting strategies).

Review of Related Literature

Trust in the government, in general, appears to influence peoples' openness to subsidy reforms (Moerenhout et al., 2017; Inchauste & Victor, 2017). Government credibility is linked to a perception of the government's ability to implement reforms and redistribute or reinvest savings from reforms (Beaton et al., 2013; Bridel & Lontoh, 2014; Baig et al., 2007; Indriyanto et al., 2013; Scobie, 2018). In the Nigerian context, some authors have suggested that there is a trust deficit (Ogbu, 2012), with many reform opponents, such as labour unions and civil right groups, highlighting the inability of governments to protect the poor (Soile and Mu, 2015; Bashir, 2013; Nwachukwu et al., 2013; Africa Research Bulletin, 2011; Akov, 2015).

In many countries, including Nigeria, fuel subsidies are regarded as part of an implicit social contract between citizens and the state (Beblawi & Luciani, 1987; Hertog, 2017; Luciani, 1990; Fattouh et al., 2016; Moerenhout et al., 2017). Therefore, reducing subsidies without improving social welfare protection may be considered a unilateral change in the social contract, which can give rise to protest and political instability (Moerenhout, 2018a, b; Luciani, 1990). Conversely, if people believe that the state is fulfilling its obligations by providing better services and transparently investing savings from fuel subsidy reform into sectors of direct relevance to households (e.g., health, education, and infrastructure), then they may be willing

to accept subsidy reform in the same way that improved services can increase support for tax compliance (Bodea & LeBas, 2016; McCulloch et al., 2019).

As in the literature on tax compliance (Allingham and Sandmo, 1972), we expect economic factors to influence support for subsidy reform. Since subsidy reform generally entails an increase in fuel prices, we would expect those with high consumption to be more opposed to reform. On the other hand, those experiencing high prices when paying for fuel (suggesting that they do not receive the subsidy) may be more in favour of reform. Availability may also influence support for reform. For electricity, Sharma et al. (2018) reported that households in Uttar Pradesh, India, are more willing to accept tariff increases if the availability of supply improves, and Garg et al. (2016) reported that availability and reliability have a positive effect on accepting reform. Similarly, consumers may support reform if it improves the availability of fuel (Alkon et al., 2016).

There are many studies on the effects of social and personal norms on tax compliance and tax morale (Jimenez and Iyer, 2016), as well as the influence of societal norms more indirectly (Bobek et al., 2013; Bobek et al., 2007; Damayanti and Baridwan, 2015). There is also literature on the impact of religion and religiosity on tax compliance and tax morale (Torgler et al., 2008; Richardson, 2008). However, tax payment is typically a choice, whereas whether one receives a fuel subsidy is not. As a result, very few studies exist on the connection between personal and social norms and support for subsidy reform. There is some evidence that citizens from resource-rich countries believe that resource wealth should be distributed among the population, including by lowering the prices of the resource (Chelminski, 2018). In some OPEC countries, certain sections of society deserve some form of subsidized energy (Hochman and Zilberman, 2015), and the same argument has been made in the Nigerian context (Nwachukwu et al., 2013). Furthermore, support for pricing reform is clearly influenced by the extent to which those in the same community support reform (Blankenship, Wong, and Urpelainen, 2019).

In countries worldwide, household surveys show an overwhelming lack of awareness of the existence of subsidies. This lack of awareness has a negative effect on the acceptance of energy price increases (Garg et al., 2016; Sharma et al., 2018; Pradiptyo et al., 2015). A lack of awareness of subsidies has also been reported in Nigeria (Nwachukwu and Chike, 2011). The complexity of subsidies and subsidy reform also impacts potential support (Finch & Nelson, 2016). The hypothesis underlying the link between knowledge and support for reform is that, by learning about the negative impacts and regressive nature of structural policies, moral concerns about the impact of reforms disappear in favour of support (Lippmann, 1922; McCombs and Shaw, 1972; Gerbner, 1998). Consequently, international institutions and other practitioners have considered communication a crucial part of energy subsidy reforms (Beaton et al., 2013; IMF, 2013; Inchauste & Victor, 2017). The connection between understanding subsidies and support for reform has been confirmed empirically in the case of Indian power tariff reforms, where Aklin et al. (2014) reported that when consumers were made aware of the negative impacts of energy subsidies, they had a more positive attitude towards reform.

Corruption is often considered a major impediment to economic and social development (Dreher et al., 2007) and is a particularly important problem in Nigeria, where it prevents the efficient provision of public services, leading to higher levels of socioeconomic inequality (Ogbonna & Kalu, 2012). Corruption is a particularly important problem in the oil sector in Nigeria, including the fuel supply chain (Okonjo-Iweala & Osafo-Kwaako, 2007; Bashir, 2013; Akov, 2015). Perceptions of corruption may therefore have an important influence on support

for subsidy reform since people may be willing to accept subsidy reforms if they believe that the funds saved would be used for the public good but opposed to reform if they believe that the funds will be subject to corruption.

In addition to the above six factors, support for reform is likely influenced by a wide range of personal and social characteristics. Income (Acharya & Sadath, 2017), education (Garg et al., 2016; Pradiptyo et al., 2015), and geographical location (Garg et al., 2016; Pradiptyo et al., 2015) have all been shown to be relevant in explaining the willingness to accept fuel subsidy reforms.

Theoretical Framework

Technological determinism theory

Technological determinism is a theory that points to technology as the driving force of development in society. Given that technology acts as this driving force, it is considered by Karl Marx and other theorists to be the defining characteristic of modern societies. Technological determinism suggests that a society is defined by its technology.

The term was conceived by Thorstein Veblen (1857-1929), a Norwegian–American sociologist and economist. Veblen studied the intertwined nature of society, culture, and the economy. The relationship between society and culture is what technological determinism is primarily concerned with. Technological determinism theory suggests that technology itself shapes society's structures and cultural values. Twitter, as a technological platform, inherently influences how information is disseminated and consumed.

The removal of fuel subsidies in Nigeria is a complex policy change with far-reaching consequences. Understanding its impact on the living standards of Nigerians requires examining various factors, and social media platforms such as Twitter offer a unique window into public discourse. Technological determinism, while a debated theory, suggests that technology plays a primary role in shaping social change. In this context, twitter acts as a catalyst, facilitating the rapid spread of information about fuel subsidy removal and its impact on fuel costs, transportation, and the economy. This information dissemination can influence public opinion and potentially lead to social movements or protests. Twitter's design allows for the rapid spread of information and opinions. A single tweet can reach thousands, even millions, of people in a short time, amplifying individual voices and concerns about fuel subsidy removal.

Furthermore, Twitter allows for citizen mobilization. Nigerians can share personal experiences, organize protests, and exert pressure on the government. "Hashtag activism" leverages the platform's reach to amplify concerns about the policy's impact on living standards. Finally, social media platforms such as Twitter are vulnerable to manipulation. Bots or fake accounts can spread misinformation or promote a particular agenda regarding fuel subsidy removal, making it crucial to critically analyse information shared online.

Agenda Setting Theory

Agenda-setting theory posits that the media does not tell people what to think about, but it does tell them what to think about. This theory is instrumental in understanding how Twitter can shape public discourse on the issue of fuel subsidy removal in Nigeria.

The impact of fuel subsidy removal on Nigerians' living standards is a complex and highly debated issue. Social media platforms such as Twitter offer a unique window into the public discourse surrounding this policy change. However, to fully understand the conversation on Twitter, it is crucial to consider the concept of agenda-setting theory.

Agenda-setting theory suggests that the media, through its selection and prominence of news stories, shapes what issues capture the public's attention. In the context of fuel subsidy removal, Twitter discussions can be seen as a form of "micro media." Public figures, journalists, and everyday citizens can all contribute to setting the agenda on the platform.

- **Setting the Agenda:** Influential Twitter accounts, including news outlets, journalists, and social activists, can bring the issue of fuel subsidy removal to the forefront of public consciousness. By frequently tweeting about the topic, they set the agenda for what the public should be concerned about.
- **Framing the Issue:** The way in which these tweets frame the issue—whether highlighting economic hardship, political implications, or social unrest—shapes how the public perceives it. For example, if the majority of tweets focus on the economic strain on everyday Nigerians, the public discourse will likely center on that aspect.
- **Prioritizing Concerns:** Twitter allows users to signal which aspects of the issue are most important through retweets, likes, and hashtags. If a tweet about the impact on transportation costs gains significant traction, it prioritizes that concern in the public debate.

These two theories provide a comprehensive picture of how Twitter influences the public discourse on fuel subsidy removal in Nigeria. Influential Twitter users set the agenda by frequently discussing fuel subsidy removal. They frame it in various ways—economic hardship, political corruption, and social justice—which shape public perception. This agenda-setting function ensures that the issue remains in the public eye, prompting widespread discussion and concern. The technological features of Twitter facilitate the rapid spread of information and opinions. Real-time updates and interactions ensure that the discourse remains dynamic, with new insights and developments continuously influencing the conversation. This can lead to swift mobilization of public sentiment, as seen in the organization of protests or advocacy campaigns.

Hashtags and threads foster community building around the issue. Users who share similar concerns can connect, exchange information, and coordinate actions. This collective engagement can amplify the impact of the discourse, increasing the likelihood of influencing policymakers. As the agenda is set and amplified through Twitter, public opinion begins to coalesce around the framed issues. Policymakers, who are attentive to public sentiment, may feel pressured to respond to widespread concerns. This can lead to government actions or statements addressing fuel subsidy removal.

To illustrate this, consider a scenario where the Nigerian government announces the removal of fuel subsidies:

- **Initial Reaction:** Influential Twitter users, including journalists and activists, tweet about the announcement, setting the agenda by emphasizing potential negative impacts on the cost of living.

- **Public Discourse:** Tweets highlighting personal stories of economic hardship due to increased fuel prices gain traction. Hashtags such as #FuelSubsidyRemoval trend, indicating high public engagement.
- **Community Action:** Users organize under these hashtags, sharing information about protests and advocacy efforts. Visual content, such as infographics on fuel price increases, makes the issue more tangible and urgent.
- **Policy Influence:** As public discourse intensifies; policymakers monitor Twitter to gauge public sentiment. Widespread concern and organized actions may lead them to reconsider subsidy removal or propose mitigating measures.

By combining Agenda-Setting Theory and Technological Determinism Theory, we gain a nuanced understanding of how Twitter influences the public discourse on fuel subsidy removal in Nigeria. The platform sets the agenda, frames the issue, and amplifies voices, all while its technological features facilitate rapid dissemination, real-time interaction, and community building. This integrated approach underscores the powerful role of social media in shaping public opinion and potentially influencing policy decisions.

RESEARCH METHODOLOGY/RESEARCH DESIGN

This study employs a qualitative research design, which emphasizes understanding social phenomena through non numerical data such as text (Denzin & Lincoln, 1994). It focuses on interpreting concepts within their natural context, considering the meanings people associate with them (Peshkin, 1993). This approach involves collecting data on personal experiences, narratives, interviews, observations, interactions, and visual elements that hold significance in people's lives.

Data collection

The primary data source for this research is a selection of tweets related to petrol subsidy removal in Nigeria, spanning from the Goodluck Jonathan era to the current administration of President Bola Ahmed Tinubu. Tweets discussing petrol subsidy removal were analysed to inform the study's conclusions and recommendations.

Data Selection Method

Tweets relevant to the research topic were chosen via purposive sampling. The data extracted from these selected tweets were analysed via content analysis methods.

Research Context

This research focused on the ongoing debate surrounding petrol subsidy removal in Nigeria. The social unrest associated with this issue prompted the study's investigation. This research aims to explore the reasons behind this unrest and document various public viewpoints, opinions, ideologies, and positions regarding petrol subsidy removal in Nigeria.

FINDINGS AND DISCUSSIONS

Objective 1: Effect of subsidy removal on the cost of living on the basis of public tweets.

Findings:

Public tweets reveal a significant increase in the cost of living following the removal of subsidies. Users frequently mention spikes in prices for essential goods, services, and transportation, indicating that the removal of subsidies has placed financial strain on households.

Discussion:

The removal of subsidies has led to an immediate and visible impact on the cost of basic necessities, as reflected in the increased frequency of tweets discussing price hikes. Many users express concerns about their ability to afford everyday items, which highlights the broader economic impact of subsidy removal on the general population. The content of these tweets suggests that the government's policy decision has had widespread repercussions, leading to increased financial stress among citizens.

Furthermore, the rising prices of essentials, particularly transportation and food, have been widely discussed, with many users expressing frustration and concern over their ability to maintain their standard of living. These tweets also reveal that the burden of subsidy removal falls disproportionately on lower-income groups, which lack the financial resilience to cope with sudden increases in costs. The widespread sentiment on Twitter reflects broader economic anxiety, with users questioning the sustainability of their current financial situation and expressing fear about future economic conditions.

Objective 2: Prevalent Concerns and Sentiments on Twitter Regarding Living Standards

Findings:

The dominant concerns expressed in public tweets revolve around economic hardship, inflation, and decreased purchasing power. Sentiments range from frustration and anger to despair, with many users feeling that the government has failed to protect vulnerable populations from the negative consequences of subsidy removal.

Discussion:

The analysis of sentiment on Twitter reveals a largely negative reaction to the policy change. Users express anger toward policymakers, accusing them of being out of touch with the reality faced by ordinary citizens. Tweets often reflect a sense of betrayal and hopelessness, particularly from those in lower-income brackets who feel disproportionately affected. This sentiment analysis underscores the social and emotional toll of the policy, as people struggle to adapt to a new economic reality.

Objective 3: Coping mechanisms discussed on Twitter in response to rising costs

Findings:

Several coping mechanisms are discussed on Twitter, including budget cuts, increased reliance on public transportation, and attempts to find additional sources of income. Users share advice on cost-saving strategies and encourage community support to mitigate the effects of rising costs.

Discussion:

The discourse on coping mechanisms indicates a level of resilience among affected populations. Despite the widespread discontent, there is also a sense of solidarity and resourcefulness, as people share practical tips on how to manage their finances under new

economic conditions. However, the necessity of these coping mechanisms highlights the severity of the impact, suggesting that the subsidy removal has forced many into difficult financial decisions. The conversation around coping also reveals an underlying anxiety about the sustainability of these measures if the economic situation does not improve.

Conclusion

The content analysis of public tweets provides valuable insights into the socioeconomic effects of subsidy removal. The increase in the cost of living, coupled with negative sentiments and shared coping mechanisms, paints a picture of a population under strain. Policymakers may need to consider these public concerns and explore ways to mitigate the adverse effects on the most vulnerable groups. The discourse on Twitter serves as a real-time barometer of public opinion and highlights the need for responsive and inclusive economic policies.

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