

**NEOLIBERAL FUEL SUBSIDY REFORMS: IMPACT ON
COMMERCIAL DRIVERS' LIVELIHOODS IN AGWADA,
NIGERIA**

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ABSTRACT: This study provides a nuanced analysis of the micro-level socio-economic consequences of fuel subsidy removal in rural Nigeria, focusing on commercial drivers in Agwada, Nasarawa State. Grounded in Welfare Economics Theory (WET), the research offers a comprehensive framework for understanding the welfare and distributional effects of such economic policies. Employing a mixed-methods approach, the study combines primary data, obtained through structured questionnaires administered to commercial drivers at Mararaba Agwada motor park, with secondary data from peer-reviewed scholarly sources and reputable digital databases. Quantitative analysis of the survey data reveals that fuel subsidy removal has significantly increased fuel prices, resulting in an over 50% rise in operational costs and a corresponding decline in drivers' earnings. These economic pressures have led to reduced disposable income, increased indebtedness, depleted savings, and restricted access to healthcare for drivers and their families. At the community level, the cascading effects include suppressed market activities, declining school enrolment, and reduced employment opportunities in vehicle maintenance. Despite adopting coping mechanisms such as fare increases, route optimization, income diversification, and extended work hours, drivers continue to face substantial economic hardships. The study underscores the need for targeted interventions, including low-interest loans, infrastructure development, affordable healthcare insurance, and reinstated fuel subsidies. These policy recommendations aim to alleviate the economic burden on commercial drivers and promote socio-economic stability and resilience within their communities.

Keywords: Commercial Drivers, Economic Effects, Fuel Subsidy Removal, Livelihood Impact, Neoliberal Reforms

INTRODUCTION

Neoliberalism, a dominant political-economic framework, emphasizes the primacy of market mechanisms as the ideal drivers of human well-being, advocating for the maximization of entrepreneurial freedoms within systems grounded in private property rights, free markets, and minimal state intervention (Harvey, 2007). Rooted in classical liberalism, this ideology traces its intellectual origins to the works of 18th and 19th-century thinkers who championed limited government roles, with state functions confined to maintaining social order, enforcing contracts, and ensuring national security (Ezeibe, 2016). The neoliberal paradigm emerged as

a response to mid-20th-century state-centered economic policies, gaining prominence during the 1970s global economic crises.

During this period, monetarist policies—a neoliberal offshoot—advocated reducing state involvement in economic management. This shift was institutionalized in the 1980s by governments such as those led by Margaret Thatcher in the United Kingdom and Ronald Reagan in the United States. These administrations dismantled welfare states, deregulated key industries, and privatized public enterprises, positioning neoliberalism as the cornerstone of global economic governance. Financial institutions like the International Monetary Fund (IMF) and the World Bank became key advocates of this framework, tying their support for developing nations to the implementation of structural adjustment policies.

Nigeria's adoption of neoliberalism was formalized with the introduction of the Structural Adjustment Programme (SAP) in 1986. Prior to this, the country had experienced a period of substantial state-driven development in the 1970s, fuelled by oil revenues. The government heavily invested in infrastructure, public services, and subsidized essential goods, fostering economic growth and welfare. Policies under the Shehu Shagari administration (1979–1983) further institutionalized subsidies, ensuring the availability of basic commodities such as rice, milk, and sugar at affordable prices.

However, the global economic downturn of the early 1980s, coupled with declining oil revenues, prompted Nigeria to embrace SAP under the Babangida administration. This marked a significant shift from state-led development to market-oriented policies. SAP introduced austerity measures, including subsidy removal, deregulation, privatization, and currency devaluation, aligning Nigeria's economy with neoliberal prescriptions. The removal of fuel subsidies, a central feature of these reforms, epitomized the transition towards deregulation and reduced government intervention.

While proponents of neoliberalism argue that such reforms enhance efficiency and attract investment, their implementation in Nigeria has often exacerbated socio-economic inequalities. The rising cost of living, weakened public services, and growing economic vulnerabilities underscore the challenges of adapting neoliberal policies to local contexts. Against this backdrop, this study critically examines the socio-economic impacts of fuel subsidy reforms on commercial drivers in Agwada, Nasarawa State, highlighting their coping mechanisms and proposing policy interventions to mitigate adverse outcomes.

LITERATURE REVIEW

Conceptual Review

The academic debate surrounding neoliberal reforms in Nigeria, which began in the 1980s, emphasizes their transformative yet problematic influence on the country's socio-economic structure. Omakoji (2019) offers a critical evaluation of these reforms, which prioritized market forces over state intervention, particularly through the introduction of the Structural Adjustment Programme (SAP) under the Babangida administration in 1986. This shift from a state-centred to a market-driven economic approach aimed to address inefficiencies, stimulate competition, and attract foreign investment. However, the SAP failed to resolve ongoing economic challenges, further deepening socio-economic inequalities, and supporting the Minimalist State theory's critique that the government lacked the capacity and legitimacy to

effectively manage economic issues, resulting in insufficient social security and growing national security concerns.

Subsidies, which are financial interventions by governments to reduce the cost of goods and services, are intended to address market inefficiencies and enhance economic efficiency (Ogunode & Ojochenemi, 2023; Ogunode & Aregbesola, 2023). These interventions, including grants, tax cuts, and price controls (Adebiyi, 2011), aim to make essential products more affordable and accessible (Project Clue, 2023). Specifically, fuel subsidies are government price reductions on fuel aimed at supporting the poor, ensuring energy security, and minimizing environmental impacts (Aniemeke, 2024; Goldstein & Estache, 2009; IEA, 2008). Despite these objectives, subsidies often result in lower energy efficiency and tend to disproportionately benefit wealthier individuals who consume more fuel (Okogu, 1993; Nwachukwu & Chike, 2011).

As noted by Onyeizugbe and Onwuka (2012), the global prevalence of fuel subsidy reforms highlights their importance as a policy tool for tackling fiscal challenges and promoting energy efficiency across various national contexts. This widespread implementation underscores the complex interaction between economic goals and socio-political factors.

As discussed by Aniemeke (2024) and KPMG (2023), the arguments for removing fuel subsidies include encouraging private sector involvement, ensuring stable fuel supply, reducing market manipulation, fostering industry competition, and eliminating fuel queues. However, the removal of subsidies has resulted in substantial price hikes and inflationary pressures, which, while boosting government revenue and public spending, have also worsened the economic difficulties faced by many Nigerians (Aniemeke, 2024; Ogunode & Aregbesola, 2023).

Empirical Review

The removal of fuel subsidies in Nigeria has been the focus of extensive scholarly investigation, with studies addressing its wide-ranging socio-economic, political, and sectoral impacts. Bisong et al. (2023), using structural functionalism theory, highlight how residents of Calabar Metropolis have been adversely affected. Increased transportation costs and food prices have exacerbated poverty, underscoring the need for government interventions such as social safety nets and investments in public transportation to mitigate these challenges. Similarly, Audu, Ilevbare, and Yusufu (2024) document that in Obajana Kingdom, subsidy removal has escalated costs for essentials like food, housing, and transportation, prompting households to adopt coping strategies, including reliance on credit. They recommend targeted subsidies, consumer protection measures, and agricultural support to alleviate economic hardships.

Sector-specific analyses shed further light on the implications of subsidy removal. Abaekih, Abaekih, and Unachukwu (2024) emphasize its detrimental effects on the transportation sector, revealing reduced revenues, diminished vehicle maintenance, and compromised road safety. The study advocates infrastructure investment, targeted assistance, and stakeholder collaboration to improve system efficiency and sustainability. Likewise, Alli, Jubril, and Bello (2024) underscore the ripple effect of rising fuel costs on transportation expenses and food prices within the supply chain, identifying a strong correlation between these variables. They propose the development of alternative energy sources, enhanced supply chain transparency, and infrastructure improvements to mitigate long-term economic impacts on businesses and consumers.

At the household level, the strain on family incomes and sustainability is evident. Ogboru and Akinyotu (2024), examining Ondo City, highlight how global oil price fluctuations and rising transportation costs have heightened household financial challenges. Their findings emphasize the need for wage increases for civil servants and incentives for businesses to stabilize the economy. Similarly, Chuchwunonso, Owulo and Nwosu (2024), in their study of Keffi, identify significant effects on living standards, goods pricing, and economic coping mechanisms. They advocate for robust social support programs, price monitoring systems, and economic diversification to bolster resilience against future shocks.

Broader economic and political analyses provide additional perspectives. Inegbedion et al. (2020) employ input-output modeling to demonstrate how subsidy reductions trigger sector-wide price increases, particularly in transportation, revealing the interconnected nature of Nigeria's economy. Adepoju, Balogun, and Bekesumowe (2023) complement these findings by linking rising fuel prices to a 64% inflation rate and a 42.5% GDP reduction. They propose addressing demand-supply imbalances, exploring alternative fuels such as electric and solar-powered vehicles, and encouraging non-motorized transportation. On the political front, Isyaku and Hamza (2023), using neo-colonial theory, reveal that subsidy removal has intensified inflationary pressures and deepened public distrust in governance. They emphasize the importance of addressing corruption, implementing sound economic policies, and restoring public confidence.

Collectively, these studies highlight the multi-dimensional impacts of fuel subsidy removal in Nigeria, reflecting the urgent need for targeted interventions. Common policy recommendations include enhancing social safety nets, incentivizing local production, investing in alternative energy sources, and implementing robust price monitoring systems.

Gap in Literature

While existing studies have extensively explored the socio-economic implications of neoliberal fuel subsidy reforms, there is a notable gap in research focusing on their specific impacts on the livelihoods and adaptive strategies of commercial drivers in rural areas like Agwada, Nigeria. This study is justified by the need to fill this gap, offering empirical insights into how these reforms uniquely affect commercial drivers—a crucial yet often overlooked demographic in the local economy and transportation sector. By providing nuanced evidence of these socio-economic effects, the study contributes to knowledge and proposes targeted policy interventions aimed at enhancing the resilience and economic stability of commercial drivers in Agwada, Nigeria.

Theoretical Framework

Welfare Economics Theory (WET) was primarily developed by economists Arthur Cecil Pigou and Vilfredo Pareto in the early 20th Century. Their contributions laid the foundation for understanding and analysing the welfare implications of economic policies. WET is a branch of economics that focuses on the optimal allocation of resources and goods and how this affects social welfare. The core assumptions of WET include the notion of Pareto efficiency, the marginal utility of income, and the emphasis on social welfare functions

Assumptions of WET

1. *Pareto Efficiency*: This principle states that resources are allocated in a way that no one can be made better off without making someone else worse off.
2. *Marginal Utility of Income*: This assumption posits that the additional satisfaction (utility) gained from an increase in income diminishes as income rises.
3. *Social Welfare Functions*: These are mathematical representations that combine individual utilities into a single measure of societal welfare, aiming to maximize the overall well-being of the population.

Application to WET to the Study

Pareto Efficiency: The removal of fuel subsidies can be analysed through the lens of Pareto efficiency. Subsidies often distort market prices, leading to inefficiencies. By removing subsidies, the market price of fuel would likely increase, which could theoretically lead to a more efficient allocation of resources. However, in the context of Agwada, a rural community, where commercial drivers rely heavily on affordable fuel, this reform might make them worse off without a corresponding benefit to others, thus failing to achieve Pareto efficiency.

Marginal Utility of Income: The marginal utility of income plays a crucial role in understanding the impact on commercial drivers. Given that these drivers typically belong to lower-income brackets, the increase in fuel prices would disproportionately affect them, as a higher proportion of their income would now be spent on fuel. This increase in expenses would likely lead to a significant reduction in their overall utility and quality of life, as their ability to afford other necessities would be compromised.

Social Welfare Functions: Using social welfare functions, we can evaluate the overall impact on societal welfare. If the subsidy reforms lead to greater government savings and investments in public goods, there could be long-term benefits to society. However, the immediate adverse effects on commercial drivers must be carefully considered. A holistic social welfare function would account for these negative impacts and seek to mitigate them through targeted social safety nets or compensation mechanisms to support those most affected by the reforms.

RESEARCH METHODOLOGY

This study adopts a mixed-methods approach to data collection and analysis, combining quantitative and qualitative techniques to provide a holistic and nuanced understanding of the research problem. The integration of these methodologies ensures that the complexities and multi-dimensional aspects of the socio-economic impacts of fuel subsidy removal are thoroughly examined. Primary data were obtained through structured questionnaires administered to a purposively selected sample of 18 commercial drivers operating at the Mararaba Agwada motor park in Nasarawa State. This purposive sampling technique was employed to target respondents most directly affected by the policy changes under investigation, thereby yielding data that is both relevant and context-specific. The questionnaires were designed to capture key indicators such as income variations, operational costs, coping mechanisms, and broader socio-economic consequences.

In addition to primary data, secondary data were rigorously sourced from a wide range of academic and policy-oriented materials, including peer-reviewed journal articles, published

reports, and reputable digital repositories. This secondary data provided a critical backdrop for contextualizing the primary findings within broader theoretical and empirical frameworks, enriching the overall analysis. The quantitative data derived from the questionnaires were processed and analysed using descriptive statistical methods, enabling the identification of patterns and trends in the socio-economic effects of fuel subsidy removal. This was complemented by qualitative insights, which helped elucidate the lived experiences of the respondents, offering a deeper understanding of their coping strategies and the broader implications for community resilience. Together, these methodological strategies enhance the robustness and validity of the study's findings.

RESULTS AND DISCUSSION

This section presents the results and discussion of the findings of this study.

Analysis of Quantitative Data

Table 1: Economic Impact of Fuel Subsidy Removal on Commercial Drivers

Question	Response Option	No. of Responses	Percentage
How have your fuel expenses changed since the removal of fuel subsidies?	Decreased	0	0%
	No change	0	0%
	Increased slightly	0	0%
	Increased significantly	18	100%
How has your income changed since the removal of fuel subsidies?	Decreased significantly	18	100%
	Decreased slightly	0	0%
	No change	0	0%
	Increased slightly	0	0%
Have your operating costs increased as a result of fuel subsidy removal?	Yes	18	100%
	No	0	0%
If yes, by what percentage have your operating costs increased?	<20%	0	0%
	20-30%	0	0%
	31-40%	0	0%
	41-50%	3	16.67%
	>50%	15	83.33%

Source: Field Work, 2024

The survey findings, as presented in Table 1, reveal significant socio-economic challenges for commercial drivers in Agwada following the removal of fuel subsidies. These results align with the theoretical underpinnings of Welfare Economics Theory (WET) and corroborate existing literature, thereby offering a critical lens for understanding the economic implications of subsidy reforms.

The universal increase in fuel expenses reported by all respondents underscores the direct and immediate financial burden imposed by subsidy removal. This is consistent with the findings of Abaekih, Abaekih, and Unachukwu (2024), who similarly documented revenue declines among commuter transporters due to increased operational costs. By demonstrating the causal link between elevated fuel prices and reduced earnings, the study validates WET's assertion that economic policies should aim to optimize resource allocation without reducing societal welfare. In this case, the removal of the subsidy has failed to achieve Pareto Efficiency, as no commercial driver has benefited, and all have experienced significant economic setbacks.

Furthermore, the reported surge in overall operating costs—exceeding 50% for the majority (83.33%) of respondents—highlights the pervasive financial strain that compromises the sustainability of these drivers' livelihoods. This aligns with the literature emphasizing that subsidy reforms in developing economies often disproportionately affect lower-income groups and informal sector participants, amplifying economic vulnerability.

From a WET perspective, the findings illustrate a reduction in the Marginal Utility of Income for commercial drivers, exacerbating their financial hardship. The diminished welfare of this group, as captured by the Social Welfare Functions framework, reflects broader societal losses, particularly in rural and informal economies where these drivers play a vital role

Table 2: Coping Strategies Adopted by Commercial Drivers

Question	Response Option	No. of Responses	Percentage
Have you had to increase your working hours due to increased fuel costs?	Yes	18	100%
	No	0	0%
Have you changed the routes you take or the frequency of trips you make?	Yes	14	77.8%
	No	4	22.2%
How has vehicle maintenance been affected by the increased fuel costs?	Significantly affected	13	72.2%
	Slightly affected	5	27.8%
	No change	0	0%
	Improved	0	0%
Have you increased the transport fares you charge passengers?	Yes	18	100%
	No	0	0%
By what percentage have you increased your transport fares?	<50%	0	0%
	50-100%	0	0%
	101-150%	18	100%
	151-200%	0	0%
	> 200%	0	0%

Have you sought alternative sources of income?	Yes	18	100%
	No	0	0%
If yes, please specify	Farming	18	100%

Source: Field Work, 2024

The findings presented in Table 2 offer compelling insights into the adverse socio-economic impacts of rising fuel costs on commercial drivers in Agwada, establishing clear connections to the theoretical framework of Welfare Economics Theory (WET) and corroborating existing literature. The pervasive effects of fuel subsidy removal are evident in the significant shifts in working conditions, operational strategies, and income generation reported by respondents.

The increase in working hours, adopted universally among respondents, reflects an attempt to counterbalance escalating costs. However, this adjustment raises concerns about potential health risks and diminished job satisfaction, consistent with studies emphasizing the occupational hazards of prolonged work periods in the transport sector. The insufficiency of fare hikes to offset increased expenses further underscores the limited elasticity of pricing in the informal transport market. This is congruent with the findings of Abaekih, Abaekih, and Unachukwu (2024), who observed similar challenges among commuter transporters in Nigeria, where subsidy removal disrupted operational sustainability without corresponding compensatory benefits.

Operational adjustments, such as route changes and reduced trip frequency, illustrate strategic adaptations by drivers to optimize profitability amidst financial strain. Nevertheless, these strategies are constrained by fixed routes or customer bases, highlighting the structural limitations faced by some drivers. These challenges are consistent with findings by Alli, Jubril, and Bello (2024), who identified a strong correlation between rising fuel prices and reduced operational flexibility in Nigeria's transport sector. Furthermore, the reduced frequency of vehicle maintenance, as noted among most respondents, aligns with the findings of Abaekih, Abaekih, and Unachukwu (2024), who documented similar trends. This cost-cutting measure compromises roadworthiness and safety, with long-term implications for driver and passenger welfare.

The uniform fare increases of 101–150% among respondents underline the severe financial pressures faced by commercial drivers and their limited ability to absorb rising costs. This observation is consistent with Bisong et al. (2023) and Inegbedion et al. (2020), who found that subsidy removal in Nigeria invariably led to increased transportation costs, disproportionately affecting lower-income populations. The fare hikes also underscore the diminished pricing flexibility in a sector grappling with soaring operational costs and constrained demand elasticity.

The diversification into farming by all respondents is a noteworthy coping strategy, illustrating the extent of economic distress and the critical role of supplementary income streams in mitigating financial hardship. This finding highlights the adaptability of informal sector workers but also underscores the limitations of relying on secondary livelihoods to counteract systemic economic disruptions.

Through the lens of WET, these findings indicate a departure from Pareto Efficiency, as all commercial drivers uniformly experience negative outcomes, including longer working hours, reduced vehicle maintenance, and significant financial strain. The diminishing Marginal Utility

of Income is evident, as the additional utility derived from the remaining income has decreased due to escalating expenses, forcing drivers into suboptimal decisions that undermine their overall welfare. The Social Welfare Functions framework further illustrates the collective decline in well-being among these drivers, exacerbated by fare increases and the necessity for income diversification.

Table 3: Socio-Economic Impact of Fuel Subsidy Removal on Commercial Drivers' Families

Question	Response Option	No. of Responses	Percentage
How has the quality of life for your family changed since the removal of fuel subsidies?	Significantly worsened	18	100%
	Slightly worsened	0	0%
	No change	0	0%
	Improved	0	0%
Have you had to incur debts to manage increased expenses?	Yes	18	100%
	No	0	0%
Have you had to reduce your savings?	Yes	18	100%
	No	0	0%
How has this impacted your financial stability?	Significantly worsened	18	100%
	Slightly worsened	0	0%
	No change	0	0%
	Improved	0	0%

Source: Field Work, 2024

The findings presented in Table 3 provide a vivid illustration of the deleterious effects of fuel subsidy removal on the surveyed group, revealing widespread economic hardship and diminished quality of life among the respondents. These outcomes resonate strongly with the theoretical framework of Welfare Economics Theory (WET) and align with existing literature on the socio-economic impacts of subsidy reforms.

The unanimous indication of a "significantly worsened" quality of life among all 18 respondents underscores the broad and severe consequences of the policy change. This finding highlights the inelastic nature of essential expenditures such as transportation and basic commodities, where rising costs cannot be mitigated by income adjustments or compensatory mechanisms. These results align with Isyaku and Hamza (2023), who documented that the removal of fuel subsidies in Nigeria has exacerbated inflation, heightened poverty levels, and contributed to the erosion of public trust in governance. The inflationary pressures stemming from increased fuel costs have disproportionately affected vulnerable populations, thereby deepening existing inequalities.

The finding that all respondents have incurred debts to manage their increased expenses further underscores the financial strain imposed by the policy change. This reliance on borrowing as a coping mechanism reflects an acute disparity between income levels and rising living costs, a phenomenon corroborated by existing studies that link subsidy removal to reduced disposable income and heightened economic vulnerability. The depletion of savings reported by all respondents illustrates the erosion of financial reserves, a development with profound implications for their long-term financial stability. This is consistent with the conclusions of

Isyaku and Hamza (2023), who observed that subsidy removal imposes an economic burden that compromises both immediate consumption and future financial planning for affected households.

The unanimous reports of worsened financial stability among respondents provide further evidence of the policy's far-reaching adverse effects. The implications of such widespread economic insecurity include an increased risk of poverty traps, reduced capacity for investment in human capital, and limited opportunities for upward mobility. The cyclical nature of financial instability, as indicated by increased debt and depleted savings, suggests a structural challenge that impedes recovery for affected individuals.

Applying the assumptions of Welfare Economics Theory, these findings reveal a pronounced departure from Pareto Efficiency, as all respondents experience a decline in their quality of life, financial stability, and overall economic well-being, with no observed compensatory benefits. The decline in the Marginal Utility of Income is evident, as rising expenses have diminished the capacity of respondents to derive satisfaction from their remaining income, further intensifying their financial hardship. From the perspective of Social Welfare Functions, the findings reflect a significant contraction in collective welfare, with uniform declines in economic and social security among the surveyed population.

Table 4: Broader Socio-Economic Impact of Fuel Subsidy Removal in the Community

Question	Response Option	No. of Responses	Percentage
Have there been changes in spending patterns in local markets or businesses?	Yes	18	100%
	No	0	0%
Have you noticed a decline in school enrolment rates within your community?	Yes	18	100%
	No	0	0%
How has employment in related sectors (e.g., vehicle maintenance) been affected?	Significantly decreased	18	100%
	Slightly decreased	0	0%
	No change	0	0%
	Increased	0	0%

Source: Field Work, 2024

The findings presented in Table 4 illustrate a cascading series of adverse effects stemming from recent economic changes, particularly the removal of fuel subsidies, on various aspects of community life. These results resonate strongly with Welfare Economics Theory (WET) and align with extant literature on the socio-economic impacts of subsidy removal and economic downturns.

The unanimous observation of shifts in spending patterns within local markets and businesses suggests that financial constraints have forced consumers to prioritize basic necessities while reducing discretionary spending. This shift is indicative of a decrease in the purchasing power of households, a phenomenon widely documented in the literature. For instance, Adeola and Olayemi (2022) found that subsidy removal in Nigeria led to constrained household budgets, resulting in reduced consumption of non-essential goods and services. Such behaviour reflects

a diminishing Marginal Utility of Income, as households struggle to allocate scarce resources amidst rising costs.

The reported decline in school enrolment rates is another critical indicator of the economic pressures facing the community. Education, often regarded as a vital investment in human capital, is being deprioritized as families grapple with increased living expenses and reduced income. This finding aligns with Okonkwo and Iheanacho's (2021) study, which highlighted those economic shocks, including subsidy reforms, tend to disproportionately impact access to education in low-income communities, exacerbating intergenerational cycles of poverty and limiting long-term development prospects.

The significant decrease in employment opportunities in peripheral sectors such as vehicle maintenance underscores the far-reaching ripple effects of the economic downturn. The contraction in these industries, driven by reduced demand and tighter financial conditions, mirrors findings by Alli, Jubril, and Bello (2024), who noted that subsidy removal not only affects direct stakeholders in fuel-related industries but also disrupts associated sectors, amplifying the economic hardship. This systemic impact suggests that the economic changes have permeated beyond immediate stakeholders, influencing broader socio-economic networks.

Applying the assumptions of Welfare Economics Theory, the findings clearly illustrate a deviation from Pareto Efficiency. The community as a whole experience adverse outcomes-including altered consumer behaviour, reduced school enrolment, and declining employment opportunities-without any observable compensatory benefits. The decline in the Marginal Utility of Income is evidenced by the difficult trade-offs households are forced to make, sacrificing long-term investments such as education for short-term survival. From a Social Welfare Functions perspective, the overall social welfare of the community has markedly deteriorated, reflecting a comprehensive decline in well-being across multiple dimensions. These results underscore the regressive and far-reaching consequences of economic changes like fuel subsidy removal, particularly in vulnerable communities.

Table 5: Recommendations

Question	Response Option	No. of Responses	Percentage
What kind of support would you find most helpful from the government? (check all that apply)	Low-interest loans	18	100%
	Implement targeted fuel subsidy for commercial drivers	18	100%
	Improve road infrastructure	18	100%
	Provide health care scheme	18	100%

Source: Field Work, 2024

The survey results presented in Table 5 reveal a clear and unanimous consensus among all respondents regarding the forms of government support that are most critical for addressing the economic challenges they face in the aftermath of fuel subsidy removal. Each of the 18

participants identified low-interest loans as an essential form of financial relief, emphasizing that such assistance is crucial to help them manage rising operating costs and maintain their economic activities. This finding is indicative of the heightened financial pressures experienced by commercial drivers, where the increased cost of fuel and related expenses have stretched their financial capacity to its limits. The request for low-interest loans underscores the significant liquidity constraints these drivers face, which is a common consequence of rising operational costs in low-income sectors.

Equally, there is unanimous agreement on the need for a targeted fuel subsidy specifically for commercial drivers. This consensus highlights the disproportionate impact that rising fuel costs have on their daily operations, as fuel is a key variable in their cost structure. Direct government intervention, in the form of a targeted subsidy, is seen as a necessary measure to mitigate the financial burden associated with fuel price hikes. This finding is consistent with the work of Bisong et al. (2023), who argue that fuel subsidies targeted at specific sectors, such as transportation, are crucial for alleviating the negative consequences of subsidy removal. Such measures would not only support the economic sustainability of commercial drivers but also ensure that transportation costs do not escalate to levels that limit access to mobility for the general population.

Furthermore, the respondents highlighted the importance of improving road infrastructure, recognizing that poor road conditions significantly exacerbate operational inefficiencies, increase vehicle maintenance costs, and reduce overall productivity. Investments in better roads would address these issues by lowering the costs associated with vehicle repairs and improving the efficiency of transport operations. This finding aligns with the research of Alli, Jubril, and Bello (2024), who emphasize the need for infrastructure development to enhance the operational capacity of businesses in the transport sector. Better roads would not only improve the cost-effectiveness of transportation but also contribute to broader economic productivity by reducing the time and financial resources spent on road maintenance and repairs.

Additionally, the respondents consistently identified the provision of a healthcare scheme as an essential support measure. This is particularly relevant given the economic pressures that have constrained their access to healthcare services. In the context of rising fuel costs and financial strain, access to affordable healthcare is vital to maintaining both the physical well-being of commercial drivers and their economic productivity. The importance of healthcare in such contexts is highlighted by Oladipo and Iheanacho (2021), who stress that access to medical services is crucial for maintaining human capital, particularly in sectors where workers face high levels of economic insecurity and vulnerability.

Collectively, these findings reveal a comprehensive set of priorities that commercial drivers perceive as essential for managing the adverse effects of fuel subsidy removal. They demonstrate a clear expectation for targeted government intervention that addresses financial liquidity, fuel cost burden, infrastructure development, and healthcare access. These priorities are not only consistent with the theoretical assumptions of Welfare Economics Theory but also reflect the broader socio-economic realities that these drivers face. According to Welfare Economics, interventions that enhance the Marginal Utility of Income and improve social welfare—such as low-interest loans, targeted subsidies, infrastructure investment, and healthcare access—are necessary to restore balance and efficiency within the affected market. The implementation of these support measures would, therefore, not only improve the well-being of individual drivers but also contribute to broader economic stability by fostering more efficient and sustainable transportation practices. These findings, when situated within the

broader economic and policy landscape, underscore the importance of multi-faceted, targeted interventions that can mitigate the negative effects of subsidy removal on vulnerable sectors.

Conclusion

In conclusion, this study provides a comprehensive assessment of the socio-economic consequences of neoliberal fuel subsidy reforms on the livelihoods of commercial drivers in Agwada, Nasarawa State, Nigeria, through the theoretical framework of Welfare Economics Theory (WET). Utilizing a mixed-methods approach that combines both structured questionnaires and secondary data analysis, the research reveals that the removal of fuel subsidies has precipitated a substantial increase in fuel prices, which has led to an over 50% rise in operational costs for commercial drivers. This surge in fuel expenses has had a profoundly negative effect on their economic stability, manifesting in reduced earnings, a marked decline in disposable income, and an increased reliance on debt to meet rising expenditures. Furthermore, this financial strain has constrained access to essential services, particularly healthcare, exacerbating the overall hardship faced by this demographic.

At the broader community level, the impact of escalating fuel prices has reverberated beyond the transport sector, contributing to a contraction in market activity, reduced school enrolment rates, and a decline in employment opportunities within related industries, such as vehicle maintenance. These changes reflect the wider economic repercussions of subsidy removal, which, as observed in previous studies (e.g., Isyaku & Hamza, 2023), can drive a vicious cycle of reduced consumer spending and economic insecurity. While commercial drivers have implemented various coping strategies-such as fare increases, route optimisation, income diversification, and extended working hours-these adaptations have proved insufficient in addressing the enduring financial pressures they face.

Recommendations

Drawing on the findings of this study, the following recommendations are put forth to mitigate the adverse effects of neoliberal fuel subsidy reforms on the livelihoods of commercial drivers and enhance their economic stability:

1. The government should establish and administer low-interest loan schemes specifically tailored to the needs of commercial drivers. Such programs would provide immediate financial relief, improve liquidity, and enable drivers to more effectively manage the increased operational costs resulting from the removal of fuel subsidies.
2. Prioritising investments in critical infrastructure, such as road maintenance, enhanced parking facilities, and optimised transport hubs, is essential. These investments would not only improve operational efficiency but also reduce the long-term costs associated with vehicle wear and tear, thereby alleviating some of the financial pressures drivers face.
3. The introduction and expansion of healthcare insurance programs specifically designed for commercial drivers and their families are critical. Access to affordable and comprehensive healthcare services would improve health outcomes, reduce the financial burden of medical expenses, and support the overall well-being of drivers.
4. To mitigate the impact of rising fuel costs, the government should implement targeted fuel subsidy schemes. These could include subsidising a fixed percentage of fuel prices or providing fuel vouchers for commercial drivers, thereby reducing their operational expenses and enabling them to maintain more sustainable business operations.

5. The development of comprehensive social safety nets and welfare programs, such as unemployment benefits, emergency financial aid, and vocational training programs, is necessary. These initiatives would provide financial support during periods of economic hardship and facilitate the transition of commercial drivers to alternative employment, should the need arise.
6. The government should foster collaboration among key stakeholders, including government agencies, industry associations, and financial institutions, to establish a unified support framework. This framework should address the diverse challenges faced by commercial drivers, ensuring that solutions are multifaceted and sustainable.
7. Establishing a system for regular impact assessments to monitor the effectiveness of these interventions is crucial. This system should facilitate the collection of empirical data to evaluate the success of the policies and enable timely adjustments based on evolving economic conditions and the changing needs of the commercial driver sector.

Suggestions for Further Research

Based on the findings and conclusion of this study, the following suggestions are made for further research:

1. Assessing the impact of fuel subsidy removal on alternative transportation modalities and their socio-economic outcomes.
2. A comparative study of the regional variations in the effects of fuel subsidy removal on commercial drivers and transportation systems.
3. Evaluating the effectiveness of government support mechanisms in mitigating the economic hardships of commercial drivers following fuel subsidy removal.
4. Investigating the broader implications of fuel subsidy removal on diverse transportation modes and their contribution to national economic stability.

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