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Subsidy Shock and Social Vulnerability: Socioeconomic Effects of Fuel Subsidy Removal in Northern Nigeria

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ABSTRACT

The fuel subsidy had previously served as a silent form of social protection in Nigeria, shielding vulnerable groups from high living costs in a country where poverty is widespread and social welfare is lacking. The financial burden of subsidising fuel, combined with perceptions of poor performance, sustained ongoing debate about whether to remove the subsidies. In 2023, the Nigerian government abruptly decided to remove fuel subsidies, leading to a significant increase in food, energy, and transportation costs. This research will assess the broader socioeconomic impacts of this policy shock on Northern Nigeria, a region where poverty rates remain high, insecurity is structural, and adaptive capacity is low. Using a qualitative methodology, data will be collected through key informant interviews, community discussions, and textual analysis of official reports and socioeconomic data. Employing a social vulnerability framework, the analysis will examine how subsidy removal exacerbated social inequality and reshaped survival strategies. The findings will show that economic hardship was particularly severe for lower classes, people in the informal economy, and those in villages, resulting in reduced purchasing power, food insecurity, and social stress. Conflict zones and socioeconomically disadvantaged areas of Northern Nigeria were especially affected where social welfare programmes are clearly lacking or absent. The thesis argues that the sudden removal of subsidies, without any social welfare programme in place, increases social vulnerability and undermines the legitimacy of governance. The research concludes by recommending a new approach to subsidy reform, involving phased implementation, targeted support, and region-specific adaptation, to mitigate negative socioeconomic impacts and restore the legitimacy of state–citizen relations.

Keywords: Fuel Subsidy, Northern Nigeria, Social Vulnerability, Socioeconomic Effects, Subsidy Shock

INTRODUCTION

Fuel subsidy policies have traditionally functioned as an informal social protection instrument in Nigeria, helping to buffer those vulnerable to the cost of living and poverty (Ozili & Obiora, 2023). However, due to the highlighted costs of subsidies and reported cases of corruption and mismanagement, there have been ongoing calls for the removal of fuel subsidies in the country (Sambo & Sule, 2024). In 2023, the government of Nigeria unexpectedly removed fuel subsidies, resulting in an unprecedented rise in transport, food, and energy prices (Sambo & Lumami, 2025). Using a mixed-methods study framework, this paper explores the socioeconomic impacts of fuel subsidy shocks in Northern Nigeria, where poverty levels and related insecurities are high and the state's capacity to address challenges is limited.

Fuel subsidies have historically been a key component of social protection and economic stabilisation policies in various developing nations, particularly those whose populations depend on affordable energy for transportation, food, and other small-scale economic activities (Jewell et al. 2018). In Nigeria, fuel subsidies have served as a proxy social welfare programme, cushioning the effects of poverty, inadequate social safety nets, and social inequality. However, the pursuit of sustainability in response to various challenges has driven the need to reform fuel subsidies in the country (Okorie & Wesseh jr., 2024).

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In May 2023, the Nigerian government implemented a policy to remove fuel subsidies entirely, marking a drastic shift in economic policy. Although this change may be justified from a developmental perspective, its overall impacts, at least in the short term, are significant and challenging, especially in socio-economically vulnerable regions (Greve & Lay, 2023). Northern Nigeria, characterised by high poverty rates, low levels of industrialisation, insecurity, and predominantly subsistence-based livelihoods, has borne the brunt of fuel price increases resulting from the removal of subsidies (Sambo & Lumami, 2025). Thus, the removal of fuel subsidies is not merely a policy change but a shock to the nation.

Rising fuel prices directly increase the cost of transportation, food, healthcare, and education. They also indirectly contribute to inflation, insecurity, and inequalities in the country (Harring et al. 2023). The impact is even more severe in Northern Nigeria, where many people live hand to mouth and the state provides little social protection (Gamette & Oteng, 2024). The elimination of fuel subsidies has therefore intensified socioeconomic pressures and influenced the strategies people use to adapt to their lives and their relationship with the state (Okoroafor et al. 2025).

Although the removal of fuel subsidies in Nigeria has been widely discussed in the public domain, most existing literature (Okorie & Wesseh, 2024; Sambo & Sule, 2024; Okoroafor et al. 2025) adopts a macroeconomic perspective, focusing on fiscal gains, budgetary allocation, and macroeconomic outcomes. In contrast, relatively few studies (Ozili & Obiora, 2023; Sambo & Lumami, 2025) have conducted empirical research into the experiences of affected communities, particularly regarding the consequences of fuel subsidy removal on their lives in Northern Nigeria. This paper addresses this research gap.

Using an analytical framework of social vulnerability, this paper evaluates how and to what extent fuel subsidies have exposed and will continue to expose disadvantaged households to economic hardship and difficulties in accessing basic necessities, particularly as these subsidies change and vulnerable populations remain unable to cope with related stresses in the conflict- and poverty-stricken context of the region’s socioeconomic identity and living standards. This is examined through the case study of Northern Nigeria, a conflict-prone and impoverished region where state social protection mechanisms and government strategies for increasing citizen well-being, legitimacy, and accountability are minimal or non-existent. The study considers how and to what extent these issues are shaped by associated challenges, stresses, and causal factors, as identified by various scenarios, frameworks, and approaches, in order to assess the study’s objectives.

By situating the issue of subsidy removal within debates on social protection, economic reform, and vulnerability, this research contributes to policy-relevant knowledge about the cost of reform from an austerity perspective. Inclusive economic reform is also discussed.

The literature reviews work on fuel subsidy analytically, theoretically, and empirically, considering both general perspectives and Nigeria’s experience. Several relevant scholarly works were consulted to establish contributions to the subject.

Fuel Subsidy: A Social Security and Economic Rationale Perspective

Fuel subsidies are widely used public policy tools aimed at countering price effects, protecting the purchasing power of the poor, and ultimately securing social well-being by reducing the impact of energy costs on poor families' budgets (Bassi et al. 2023). However, there are significant costs and controversies associated with subsidies, including their rapid removal – referred to here as subsidy shock – which leads to the immediate transmission of higher prices for transport, food, and energy-efficient

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products (Li & Sun, 2018). Social vulnerability, in this context, refers to the capacity of individuals, families, or communities to cope, shaped by existing levels of poverty, diversification, adaptation, and their responsiveness (Kayode & Idera, 2025).

Two other strategic meta-frameworks complement each other in understanding the political and socio-economic implications of subsidy removals. Political economy frameworks emphasise the role of distributional conflict, elite bargains, and fiscal motives in the timing of reforms: lack of accountability, vested interests, and political opportunism derail reforms and worsen social fallout (Britton-Purdy et al. 2019). The Theory of Political Opportunity Structure, applied in social movement literature, describes how state legitimacy crises caused by economic shocks may create opportunities for contestation when social unease is collectively experienced and shared across society (Tilly, 2001). Social Identity Theory and framing analyses explain the role of social identity and the 'we are deprived' discourse in asserting a broader social collectivity, mobilising disorderly suffering through narratives that spread among diverse individuals, and transforming suffering from an incumbent condition into active protest through politicisation (Harwood, 2020).

Cross-country studies find that the short-term effects of subsidy reform include immediate increases in transport and commodity prices, inflation, and reductions in real wages for poor households (Wesseh et al. 2016). Welfare effects from subsidy removal are influenced by pre-reform subsidy arrangements, the presence of compensation programmes, and market pass-through. With appropriate social protection programmes aimed at compensation, such as cash transfers, price support, and job creation, welfare losses can be reduced (Rentschler & Bazilian, 2017). In fact, the absence of social protection programmes leads to deterioration in indicators for vulnerable groups, such as food insecurity, coping strategies, and indebtedness. Politically, the sudden removal of subsidies has led to popular mobilisations (such as in African and Arab countries during fuel subsidy reforms in 2012), labour strikes, and, in some instances, reversals (Siddiq et al. 2014).

Fuel Subsidy Removal in Nigeria

Nigeria presents a contradictory situation: as a major oil-producing country, it has long used fuel subsidies for both redistributive and political purposes. Some historical instances, especially the Occupy Nigeria movement of 2012 in response to attempted subsidy removals, provide important learning episodes (Olabode, 2018). Empirical and policy studies (see, e.g., Akinleye & Adekunle 2019; Sambo & Sule 2024; Okoroafor et al. 2025) now available in the literature illustrate the rapid inflationary effects of subsidy reforms on transport and food prices, the regressivity of subsidy distribution for urban poor households, and the budgetary reasons usually cited to justify reforms (such as reductions in corruption and budget reallocations). The latest major subsidy reform phases (2023–2024) appear to raise further questions and concerns: critics (Abang et al. 2024; Ajibola, 2024) focus on the failure of compensatory payments, while more supportive literature highlights the lasting efficiency effects and infrastructure changes resulting from the reforms. Micro-data studies (Ezekwe, 2025; Sambo & Lumami, 2025) in Nigeria reveal typical coping strategies among the poorest and even marginally employed households, including asset sales, meal reduction, and cuts to health and education expenditure within the household budget.

Northern Nigeria also exhibits structural characteristics that increase vulnerability to subsidy shocks: higher baseline poverty levels, greater reliance on subsistence and informal economies, less access to social welfare programmes, and incomplete integration into formal markets (Sambo & Lumami, 2025). Existing studies on regional inequality show that the spread of price shocks affects regions across

Nigeria asymmetrically: transport-related markets and food value chains in the North face potential amplification of price shocks, and the state's presence also hinders mitigation efforts (Odozi & Oyelere, 2023). Politically, the literature highlights regional differences in protest repertoires and leadership mediation; however, recent developments indicate a disruption of these patterns, with the Northern populace participating in nationwide anti-reform protests at the threshold of survival (Archibong, 2018). Studies have shown differentiated effects among socio-economic groups. Women and female-headed households often experience relatively larger welfare losses. Informal traders and transporters suffer visible income losses. Prolonged subsidy shocks have observable nutritional and educational effects on children, impacting human capital formation (Islam, 2024).

Mixed methods studies (Adepoju & Oyesanya, 2014; Musa & Suleiman, 2020; Sambo et al. 2025) have shown that a poverty trap can result from coping strategies such as reduced meals, child labour, and the sale of productive assets if appropriate social protection is not provided. Both international and Nigerian literature (Okpara, 2011; Danaan, 2018) identify a range of implementation approaches: graduated reform and effective communication, unconditional transfer payments, public works schemes, monitoring of prices and anti-speculation policies, and supply response measures to stabilise markets. When these are properly implemented, social costs are minimised, while their absence and issues with targeting social programmes adversely affect political and social constituencies. However, several areas still lack attention despite the current high level of research.

First, there is a lack of fine-grained evidence on the distribution of mechanisms for transmitting subsidy shocks across different socio-economic contexts in Northern Nigeria. ***Secondly***, relatively few studies combine theories of political mobilisation (POS/SIT) with micro-measures of vulnerability to explain the differential reactions of various areas to subsidy policy. ***Thirdly***, there is a lack of research on subsidy reforms since 2023 and their associated short- and medium-term effects on distribution. This study addresses these research gaps by focusing on Northern Nigeria as a case study, using key informant and household-level data to inform pathways from subsidy shock to social vulnerability and the corresponding reactions.

This paper adopts Social Vulnerability Theory and Political Economy Theory as its framework for understanding the impact of fuel subsidy removal on the economy of Northern Nigeria.

Originating in the fields of disaster and development studies, Social Vulnerability Theory is rooted in the works of Blaikie et al. (2014), Wisner & Wisner (2004), and Cutter et al. (2012). This theoretical framework views vulnerability as socially mediated and shaped by structural factors such as poverty, inequality, marginalisation, institutional weakness, and lack of access to resources. Rather than treating hardship as a standardised post-disaster outcome, Social Vulnerability Theory emphasises the conditional variability created by socioeconomic policies, such as the removal of subsidies. In Northern Nigeria, issues such as poverty, unemployment, insecurity, and the prevalence of the informal economy increase levels of susceptibility. According to this theoretical framework, the removal of the fuel subsidy leads to increased hardship, particularly among the identified social groups.

This can be complemented by Political Economy Theory, which situates subsidy removal within broader power dynamics, state–market relations, and patterns of resource distribution over time (Cohn & Hira, 2020). Drawing on the classical political economy tradition of figures such as Adam Smith and Karl Marx, as well as more recent efforts to modernise the approach by thinkers like Karl Polanyi, Susan Strange, and Mkandawire, political economy theory contends that economic policy decisions are not

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neutral but are shaped by political factors (Caporaso & Levine, 1992). From this perspective, the removal of fuel subsidies in Nigeria can be understood not only as a response by the Nigerian state to budgetary constraints and the pressures of financial internationalism, but also, and particularly, as a matter of social welfare choices.

By combining all these approaches, this study can link macro-level policy decision-making to micro-level outcomes in social contexts, illustrating how subsidy shocks and structural vulnerabilities can lead to increased inequality. The combined framework, therefore, provides a comprehensive tool for explaining why the removal of fuel subsidies triggers social crises in Northern Nigeria.

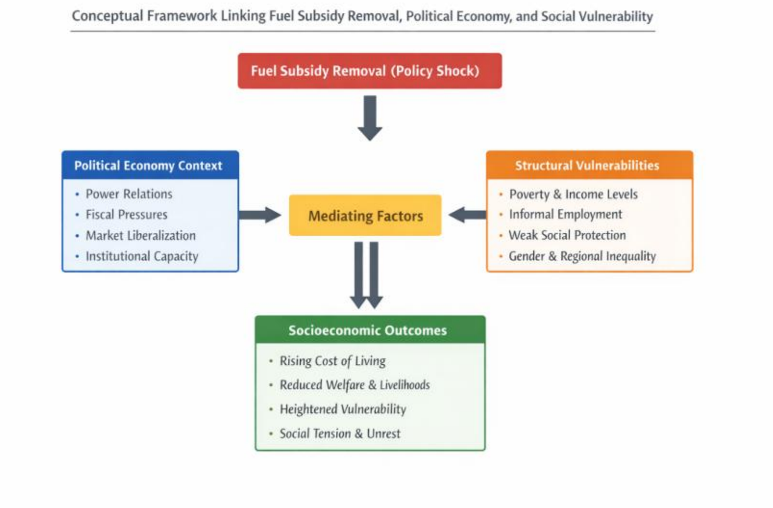

Figure 1: Conceptual framework linking fuel subsidy, Political Economy and Social Vulnerability theories

RESEARCH METHOD

In this study, a survey research design based on a combination of qualitative and quantitative approaches is used. The use of a mixed research methodology is appropriate and justified, as the study examines not only the socioeconomic impacts measurable in relation to the removal of fuel subsidy in Northern Nigeria, but also perceptions and lived experiences. Both primary and secondary sources, including questionnaires, in-depth personal interviews, books, journal articles, the internet, and print media, among other published literature, will be utilised. The analysis will be conducted using tables and descriptive statistics, as well as content analysis.

Both primary and secondary data sources were broadly used in this study. Primary data were collected through structured questionnaires and in-depth key informant interviews. The states were purposively selected to represent the main geographical sub-regions of Northern Nigeria: Borno State, representing the Northeast, Kano State, representing the Northwest, Niger State, representing the North Central.

This selection ensures balanced representation and allows for comparison within Northern Nigeria. A total of 466 participants were selected for questionnaire administration across the three states. This sample size was determined using the sampling formula for validity and reliability as proposed by Taro Yamane. Participants were selected using simple random sampling. Based on the population proportions from the 2006 National Population Census, the sample distribution is as follows: Kano State (Northwest): 44.4%, Borno State (Northeast): 31.7%, Niger State (North Central): 23.9%.

To ensure equal geographical representation, respondents from each state were selected from the three senatorial zones, with one local government area chosen per zone, resulting in a total of nine local government areas across the three states.

In addition, intensive interviews were conducted with selected key informants through face-to-face contact. These informants were identified using cluster sampling across the three states. The types of informants included: Researchers (Universities and Research Centres), Traders and Business Owners, Civil Servants, Transport Operators, Artisans and Informal Sector Workers

For each category, three informants were selected per state, ensuring a diversity of opinions on the socio-economic impact of removing the fuel subsidy.

Secondary data sources included documented materials such as textbooks, scholarly journals, government policy statements, news articles, magazines, reports from international organisations, and online sources related to fuel subsidy policies and social vulnerability in Nigeria.

Two main instruments were used: Structured questionnaire. These questionnaires were distributed to 466 respondents to capture the socioeconomic status and cost of living in relation to the removal of the fuel subsidy in Borno, Kano, and Niger States. The questionnaire consisted mainly of multiple-choice questions. The other is unstructured Interview. This tool was used for conducting key informant interviews (KIIs), which included open-ended questions. Interviews continued until data saturation was reached.

Data gathered from questionnaires was coded, sorted, and analysed using the Statistical Package for Social Sciences (SPSS). Descriptive statistical methods such as frequency, percentage, and tables were used to present respondents' answers. Qualitative data collected from in-depth interviews was subjected to content analysis, in which frequent patterns, phrases, and discourses were identified, coded, and related to the research aims and objectives.

Table 1: Summary of Methodological Design

Component	Description
Research Design	Survey design using mixed-methods (quantitative and qualitative)
Study Area	Northern Nigeria: Borno (Northeast), Kano (Northwest), Niger (Northcentral)
Sample Size	466 questionnaire respondents
Sampling Technique	Simple random sampling (questionnaires); cluster sampling (interviews)
Data Collection Methods	Structured questionnaires and in-depth key informant interviews
Population Basis	2006 National Population Census
Instruments	Structured questionnaires; unstructured interview guide
Secondary Sources	Books, journals, reports, newspapers, internet sources
Data Analysis (Quantitative)	SPSS, descriptive statistics, tables and percentages
Data Analysis (Qualitative)	Content analysis

RESULTS AND DISCUSSION

Most participants reside in Kano (44.4%), followed by Borno (31.7%) and Niger (23.9%), reflecting the sampling emphasis on Kano. The sample is male dominated, with 62.0% male and 38.0% female, which may influence how gendered impacts of fuel subsidy removal are reported. Respondents are largely of productive age: those between 26 and 35 years (32.6%) and 36 and 45 years (30.3%) form the majority. Younger adults (18–25) and older respondents (56+) together make up about one fifth of the

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sample, suggesting the findings mainly reflect middle aged perspectives. Educational attainment is relatively diverse but skewed towards secondary and tertiary education.

Table 2: Socio-Demographic Profile of Respondents (N = 466)

Variable	Category	Frequency	Percentage (%)
State	Kano	207	44.4
	Borno	148	31.7
	Niger	111	23.9
Sex	Male	289	62.0
	Female	177	38.0
Age Group	18–25	61	13.1
	26–35	152	32.6
	36–45	141	30.3
	46–55	78	16.7
	56+	34	7.3
Education	No formal	64	13.7
	Qur'anic/Islamic	71	15.2
	Primary	83	17.8
	Secondary	144	30.9
	Tertiary	104	22.3
Occupation	Trader/Business	138	29.6
	Transport operator	96	20.6
	Farmer	81	17.4
	Artisan	72	15.5
	Civil servant	61	13.1
	Others	18	3.9

Source: Field work (2025)

About 30.9% have secondary education and 22.3% have tertiary education, while 13.7% have no formal schooling and 15.2% have only Qur'anic/Islamic education, indicating a mix of formal and religious learning backgrounds. The dominant occupations are trader/business (29.6%) and transport operator (20.6%), followed by farmers (17.4%) and artisans (15.5%). Civil servants constitute 13.1%, with a small "others" category (3.9%), meaning the sample is heavily composed of people in the informal and micro business sectors who are likely to feel fuel price shocks directly.

Table 3: Perceived Overall Impact on Household

Impact Rating	Frequency	Percentage (%)
Very negative	218	46.8
Negative	156	33.5
No impact	54	11.6
Positive	27	5.8
Very positive	11	2.4
Total	466	100.0

Source: field work (2025)

The interpretation of the above table is: over 80% of respondents perceived the policy as having a negative or very negative impact on their households. This has been supported by some studies (Okoroafor et al. 2025; Sambo & Lumami, 2025).

Table 4: Changes in Transport and Food Costs

Indicator	Response	Frequency	Percentage (%)
Transport Cost	Greatly increased	261	56.0
	Increased	147	31.5
	No change	39	8.4
	Decreased	12	2.6
	Greatly decreased	7	1.5
Food Prices	Greatly increased	283	60.7
	Increased	131	28.1
	No change	34	7.3
	Decreased	11	2.4
	Greatly decreased	7	1.5

Source: field work (2025)

A large majority report higher transport expenses: 56.0% say costs have "greatly increased" and 31.5% say they have "increased", meaning nearly nine in ten perceive an upward change. Only a small minority report no change (8.4%) or any decrease (about 4%), indicating widespread transport-cost pressure among households.

Perceptions of food inflation are even stronger: 60.7% report that food prices have "greatly increased", and 28.1% say they have "increased". Very few respondents see stability or relief in food prices (around 7% report no change and about 4% report decreases), suggesting severe and near universal food price hardship. This is supported by some studies (Abang et al. 2024; Sambo et al. 2025).

Table 5: Effect on Ability to Meet Basic Needs

Level of Effect	Frequency	Percentage (%)
Not at all	32	6.9
Slightly	67	14.4
Moderately	143	30.7
Severely	141	30.3
Very severely	83	17.8
Total	466	100.0

Source: field work (2025)

The table shows that most respondents feel noticeably affected, with many reporting strong hardship. The overall pattern of effect shows only a small minority report "not at all" (6.9%) or "slightly" affected (14.4%), meaning about one in five experience little impact.

The majority fall in the "moderately" (30.7%) and "severely" (30.3%) categories, with an additional 17.8% reporting being "very severely" affected, so roughly four out of five respondents feel the situation has a moderate to very severe effect on them. The concentration of responses in the moderate to very severe range indicates that the issue under study is not marginal but widely felt across the sample.

This distribution suggests that any policy response should treat the problem as a systemic hardship rather than a challenge affecting only a small vulnerable subgroup. Some studies (Ajibola, 2024; Ezekwe, 2025) justify these views.

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Table 6: Effect on Work or Business

Impact Level	Frequency	Percentage (%)
Not affected	39	8.4
Slightly affected	86	18.5
Moderately affected	148	31.8
Strongly affected	137	29.4
Business closed/relocated	56	12.0
Total	466	100.0

Source: field work (2025)

The table indicates that most respondents report a substantial negative impact, with a notable share experiencing extreme outcomes. The overall impact pattern shows only 8.4% say they are "not affected" and 18.5% are "slightly affected," so just over a quarter experience little or no impact. The largest groups fall under "moderately affected" (31.8%) and "strongly affected" (29.4%), meaning about three in five respondents feel considerable strain. There is are severe outcomes for livelihoods. A further 12.0% report that their business has closed or relocated, which represents a very serious livelihood disruption. Taken together, the high proportions in the moderate, strong, and closure/relocation categories show that the issue under study is significantly undermining economic stability for most respondents. These views are supported by several studies (Okorie & Wesseh, 2024; Kayode & Idera, 2025).

Table 7: Most Affected Area of Life

Area	Frequency	Percentage (%)
Food	182	39.1
Transport	124	26.6
Housing	61	13.1
Education	54	11.6
Healthcare	37	7.9
Others	8	1.7
Total	466	100.0

Source: field work (2025)

The table shows that hardship is concentrated mainly in basic consumption and mobility needs. Food is the single most affected area, reported by 39.1% of respondents, indicating that rising living costs are hitting household feeding first and hardest. Transport follows with 26.6%, showing that movement to work, markets, and services is also heavily constrained. Other dimensions of hardship are housing (13.1%) and education (11.6%) are the next most affected, suggesting that some households are struggling to maintain accommodation and keep up with schooling expenses. Healthcare (7.9%) and "others" (1.7%) attract fewer responses, but together they show that while core strain is on food and transport, the economic pressure is spilling over into nearly all aspects of daily life. This is reported by previous studies (Okoroafor et al. 2025; Sambo & Lumami, 2025).

Table 8: Coping Strategies Adopted

Strategy	Frequency	Percentage (%)
Reduced meals	301	64.6
Changed diet	274	58.8
Extra jobs/business	219	47.0
Reduced healthcare spending	163	35.0
Withdrawal of children from school	92	19.7

Source: field work (2025)

The table shows that households are coping through significant cutbacks and income seeking measures. Dominant coping strategies are reduced meals (64.6%) and changed diet (58.8%) are the most common strategies, meaning many families are eating less or switching to cheaper, probably less nutritious food. Nearly half (47.0%) have taken extra jobs or started side businesses, indicating active efforts to boost income in response to rising costs. The social and welfare implications are over a third (35.0%) have reduced healthcare spending, suggesting that medical needs are being postponed or neglected, with potential long term health risks. About one in five households (19.7%) have withdrawn children from school, highlighting a serious social consequence where current economic hardship may undermine future human capital. Some studies (Ozili & Obiora, 2024; Sambo & Sule, 2024) share similar views as above.

Table 9: Perception Statements

Statement	Agree/Strongly Agree (%)
Poverty has increased	82.4
Fuel subsidy removal is unfair	74.9
Trust in government is low	78.6
Social tension has increased	69.3
Support for peaceful protest	66.1

Source: field work (2025)

The table indicates strong negative perceptions of the policy and its broader social consequences. Perceived economic and governance impact shows that a very large majority (82.4%) agree that poverty has increased, suggesting that respondents clearly link current hardship to recent changes such as fuel subsidy removal. Similarly, 78.6% say trust in government is low and 74.9% view fuel subsidy removal as unfair, pointing to serious legitimacy and credibility challenges for public authorities. Social climate and protest potential indicates about 69.3% believe social tension has increased, implying a more fragile and conflict prone environment within communities.

With 66.1% expressing support for peaceful protest, there is substantial backing for collective action, indicating a high risk of sustained or renewed public demonstrations if grievances remain unaddressed. This is reported by similar studies (Siddiq et al. 2014; Rentschler & Bazilian, 2017).

Table 10: Dominant KII Themes and Frequency of Mentions

Theme	Proportion of Informants (%)
Rising cost of living	100
Livelihood disruption	93
Increased vulnerability	87
Declining trust in government	80
Inadequate palliatives	73
Support for policy review	90

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Table 10 presents the dominant themes identified from the Key Informant Interviews (KIIs) and the proportion of informants who mentioned each theme during the fieldwork. The distribution of responses demonstrates a strong convergence of opinions among key stakeholders, indicating a high level of consensus on the impacts of fuel subsidy removal.

The theme of "rising cost of living" was mentioned by all informants (100%), making it the most prominent issue. This unanimity highlights the centrality of inflationary pressures – particularly in food, transport, and basic services – as the most immediate and visible consequence of fuel subsidy removal. It suggests that the policy has had a universal effect across sectors and locations, regardless of occupation or social status. Livelihood disruption was reported by 93% of informants, indicating widespread disturbances to income-generating activities. Key informants, especially traders, transport operators, and informal sector workers, highlighted reduced profit margins, declining patronage, and increased operating costs. This finding supports the quantitative evidence that fuel subsidy removal has significantly undermined economic stability at both household and sectoral levels.

The theme of increased vulnerability, cited by 87% of informants, reflects the growing exposure of households to economic shocks and a declining capacity to cope. Informants frequently identified low-income earners, large households, and informal workers as being disproportionately affected, confirming that the policy has intensified existing structural inequalities. A substantial proportion of informants (80%) reported declining trust in government, linking economic hardship to perceptions of poor policy design, weak communication, and a lack of transparency in the use of subsidy savings. This erosion of trust has broader implications for state legitimacy and citizen–government relations.

The issue of inadequate palliatives, mentioned by 73% of informants, indicates that although support measures were acknowledged, they were widely perceived as insufficient, unevenly distributed, or poorly targeted. This perception explains why hardship persisted despite government intervention. Finally, support for policy review, expressed by 90% of informants, demonstrates a strong demand for reconsideration or modification of the subsidy removal policy. Rather than outright rejection of reform, informants emphasised the need for gradual implementation, targeted social protection, and complementary economic measures. These views are supported by several studies (Sambo & Sule, 2024; Okoroafor et al. 2025; Sambo & Lumami, 2025)

Overall, Table 10 shows that KIIs provide strong qualitative confirmation of the survey findings, highlighting fuel subsidy removal as a policy that has caused significant socioeconomic strain, increased vulnerability, and weakened trust in governance, while also prompting strong calls for policy adjustment. The quantitative data demonstrates widespread economic hardship, declining welfare, and eroding trust in governance, while qualitative insights contextualize these patterns as outcomes of poor policy sequencing and inadequate social protection. Together, the findings confirm that fuel subsidy removal has functioned as a structural shock, intensifying social vulnerability and reshaping political attitudes across Northern Nigeria.

The paper draws on Social Vulnerability Theory and Political Economy Theory to explain the socioeconomic and governance impacts of fuel subsidy removal in Nigeria. Social Vulnerability Theory highlights the influence of systemic and social positioning factors in shaping differential responses to external shocks. For example, fuel subsidy removal is viewed as an external economic shock that affects various segments of Nigerian society.

Findings indicate universal exposure to the rising cost of living, with all respondents reporting increases in transport and food prices as the most immediate impact. However, the extent to which this impact was experienced varied significantly across social groups. These groups included informal sector workers, entrepreneurs, transporters, farmers, larger families, rural communities, and those in conflict zones, particularly in Borno State, due to their limited capacity to protect income, high dependency levels, lack of infrastructure, and insecurity, which make them more vulnerable to changes in fuel prices.

The adaptive capacity of household members was inadequate and unevenly distributed. Common coping mechanisms among many household members included eating less, changing eating practices, working extra in other informal sectors, cutting healthcare spending, and withdrawing children from school. The inadequacy of government support for alleviating suffering further impeded recovery and left vulnerable members at risk. Consequently, policy outcomes included poverty, dependence on precarious livelihoods, and widespread social tension.

Political economy theory supplements this analysis by showing how decisions and relationships influence outcomes. The sudden, poorly cushioned removal of subsidies shifted the burden of adaptation through a regressive process, primarily affecting low-income groups. The results showed a significant decline in trust in government, indicating a legitimacy crisis caused by perceptions of injustice, poor communication, and inefficient allocation of adaptation benefits. Support for protest and governance fatigue illustrate how economic exclusion led to political discontent. Together, these theoretical frameworks suggest that the removal of fuel subsidies in Northern Nigeria was more than an economic policy change, as economic policies must be placed within the framework of sound social protection and governance for their impact to be felt evenly.

CONCLUSION

This paper evaluates the socioeconomic impacts of fuel subsidy withdrawal in Northern Nigeria, focusing on social vulnerability, livelihood effects, and perceptions of governance in Borno, Kano, and Niger States. Using a mixed-method approach that combines structured questionnaires administered to 466 participants and in-depth key informant interviews, high-quality evidence is provided to understand experiences surrounding large-scale governance change.

The results reveal a significant and far-reaching negative effect of removing fuel subsidies on socioeconomic conditions. Consistent with previous literature on fuel subsidy removal in developing economies, it has caused inflation in transport and food prices, which account for a large proportion of expenditures by poorer sections of society. Over eighty percent of respondents viewed the impact negatively, and a significant narrative identified increased cost of living as a direct effect.

From the perspective of Social Vulnerability Theory, the policy increased vulnerability to economic shocks and degraded the adaptive capacity of the people. The findings highlight that large households, informal economy earners, rural communities, and female-headed households are the worst affected, indicating pre-existing social inequalities. The widespread use of negative coping strategies, including food restrictions, changes in diet, withdrawing children from school, and cuts in health expenditure, points to long-term social risks regarding human capital and social welfare.

These results are also consistent with political economy theory, in which the distributional and legitimacy effects of state policy decisions take centre stage. The sudden and insufficiently buffered withdrawal of the subsidy benefited certain sections of society at the expense of vulnerable groups. Perceptions of inadequacy in buffer measures and lack of government transparency regarding the expenditure of subsidy funds contributed

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to distrust in government. The increase in support for protests and social tension confirms that, when reforms lack social embedding, economic reforms can generate government disaffection.

Methodologically, integrating the findings from the quantitative and qualitative data enhances the validity of the study. The survey results provide measurable outcomes regarding patterns of hardship and perception, while the KIIs allow for interpretation of policy effects and how the shock is differentiated across regions and sectors. Individually and collectively, the data indicate that the fuel subsidy removal in Northern Nigeria acts as a structural shock that contributes to poverty and state-citizen distrust.

In conclusion, although the removal of subsidies is often justified in the literature as a means of fiscal reform, the case presented here demonstrates that, without social protection, appropriate sequencing, and effective governance, such reforms actually increase vulnerability. It is also important to recognise the limitations of economic approaches that do not consider societal needs.

The following recommendations are based on the findings, theoretical contributions, and existing literature:

1. Adopt a Gradual and Sequential Approach to Reform. Subsidy reforms should be implemented in stages rather than abruptly. Gradually removing subsidies allows households and businesses time to adjust, lessening the impact of the shock, and aligns with global best practice and political economy literature.
2. Strengthen Targeted Social Protection Mechanisms. Social safety nets, including conditional cash transfers, transport subsidies for low-income workers, and food programmes, must be targeted and expanded by the government. These programmes must target vulnerable sections of the community, including informal workers, members of large families, and rural communities, as identified by the study.
3. Improve Design and Delivery of Palliatives. Palliative programmes must ensure transparency, appropriate resource allocation, and protection from political interference. Community-targeted schemes, with the participation of local and civil society representatives, can help improve reach and acceptability.
4. Use Subsidy Savings for Visible and Pro-Poor Infrastructure. To regain trust lost due to subsidy removal, such savings should be invested in more visible and welfare-enhancing sectors such as transportation, health, education, and rural infrastructure development.
5. Support Livelihoods and Small Businesses. Support for transport operators, traders, artisans, and farmers through concessional loans, tax breaks, or energy alternatives would help them avoid closure.
6. Improve Policy Communication and Public Engagement. The government must enhance communication on economic reforms by clearly stating their goals and expected benefits. Consultation between the government and labour unions, associations, and communities would help limit opposition and misconceptions.
7. Regional and Context-Specific Vulnerabilities. Special intervention measures are required in conflict-affected and rural areas, particularly in Borno State, where the removal of subsidies exacerbates existing insecurity and displacement. Public policy should consider regional variability.
8. Institutionalise Monitoring and Evaluation. An effective monitoring and evaluation framework must be established to assess the social effects of reforms resulting from subsidy changes, thereby enhancing the responsiveness and accountability of policies.

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