

# ASSESSMENT OF THE IMPACT OF FUEL SUBSIDY REMOVAL ON FAMILY MENTAL HEALTH IN MINNA, NIGERIA.

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## ABSTRACT

Fuel subsidy removal refers to the decision of the Nigerian government to stop the financial assistance it provides to keep the price of fuel low. In recent years, there has been a growing concern about the impact of fuel subsidy removal on various aspects of society. However, little research has been conducted to examine the specific consequences of fuel subsidy removal on family mental health, particularly in the city of Minna, Niger State Nigeria. This study aimed at assessing the impacts of fuel subsidy removal on family mental health in Minna, Niger state, with the view of assessing the levels of stress, anxiety, and other mental health indicators experienced by families in Minna as a result of the removal of fuel subsidy and identifying any potential factors that may mitigate the mental health effects of fuel subsidy removal. Primary and secondary data were employed in the study. 318 questionnaires were successfully administered to 318 households in the study area. Qualitative data were required and analysed using descriptive statistics. The study shows that the removal of fuel subsidy has maximal (92.5%) effect on family overall expenses making the families in the area to experienced a high negative change in their mental health and 64.2% of the people felt stress daily especially from the cost of transportation. Intra-city and inter-state mass transit with minimal fare should be provided by the government for the people, families should be assisted with loan to start up business to help cushion the effects of mental health stress on the people in Niger State.

## Key words, e.g.

Subsidy, Removal, Family, Mental Health, Stress and Anxiety.

## Introduction

Subsidy has been one of the means of tricking economic effect down to reach majority adopted by many governments. It often comes in form of rebate on price of commodity consumption voucher, tax reduction and even cash. Generally, subsidy is an economic policy usually embarked to make essential goods and services affordable for low income earners to improve their standard of living and for promoting businesses. The effectiveness of such policy would reflect on economic activities in the country. In Nigeria, for instance, fuel subsidy was introduced in 1973 to make petroleum products cheaply available and affordable to general populace, and also to make majority directly benefit much from the endowed resources of the country. Oil price in the international market has been fluctuating. The price of the product is characterized to be indeterminate and inherently volatile. It was around \$50 per barrel in 2016, soared to \$64.46 in 2019, compared with the price \$120 in 2014 which also affects the





ump price. One more important aim of fuel subsidy is to stabilize the fuel price in the wake of increased price (Adebiyi, O. 2011).

However, the benefits of fuel subsidy in Nigeria were short lived as the government finally removed the subvention in June, 2023. The government claimed that the subsidized payments made on refined petroleum imported to the country is huge, and that subsidized fuel are not used in the country but either a fictitious or re-exported to neighbouring countries, and that payments made to subsidize fuel has not benefited the citizens but illegal cartel. The authority claimed also that the policy has led to several smuggling of petroleum product out of the country, fuel diversion, hoarding and over invoicing by petroleum marketers; and that fuel subsidy reduced the revenue that could had used for infrastructure, agriculture and fixing the decayed refineries.

To the populace, if fuel subsidy is removed, they stand to benefit nothing from the endowed resource of the country as the effect would adversely affect their livelihoods over spilling the cost of production which in turn would increase the prices of goods and services which lead to distortion of mental well-being of the people result in. The policy of fuel subsidy removal has been on-going for some years in Nigeria. Fuel subsidy had once removed in 1980 and 2000 during which the cost of fuel increased and as well as the prices of commodities rose almost by 50%. In many cases when subsidy is removed and/or oil pump price increased, many individuals particularly the low income populace often is at receiving end as this would reflect to fall in living standard as well as misshaping of their mental health of this group (Ashir, D. 2016).

According to Akande, L. (2017), the last fuel subsidy removal in 2016 prompted the government to introduce Social Intervention Programme (SIP) with the view fetch the issues that usually arise from fuel subsidy removal. The SIP is basically designed to mitigate the effects of fuel subsidy removal and accelerate economic growth through investments in critically needed infrastructures as well as social services such as education, health care services, job creation, and vocational training. In spite this initiative, the living condition of people appears not improve as prices of goods and services are considerably high which greatly affect the mental health of the families as a result of removal of fuel subsidy.

The low economic condition of people as a result of fuel subsidy removal appears to more pronounced in Northern region of Nigeria where standard of living is grinding. The region has the highest poverty prevalence, about 76.8%, and the north central, Niger precisely, has relatively high level of poverty (NBS, 2015).

Nigeria is not alone in this trend, in Cameroon for example, in 2014, fuel prices increased after fuel subsidy was removed, rose by 14%, but later replace after the transport workers threatened to go on strike. The same was the case in Guinea, Ghana and Chad who share similar experiences as a result of removal of fuel subsidy by their respective governments. This create a rise in automobile fuel, consequently cost of transportation increases and even overhead costs of small medium scale enterprises (SMEs) increased as many operators relied on generators powered by fuel. This culminated to the negative consequences in the mental health of the people in these countries (Abdulkadir, A. 2020).





However, the removal of fuel subsidy has averted the achievement of the Sustainable Development Goal 3, regarding "Good Health and Well-being" in the Minna as the people find it difficult to afford the increasing cost of transportation to and from the hospital to receive daily treatment. As such many enrollees may drop out of the various health insurance schemes. Besides, does fuel subsidy removal harm the mental health of the people in Minna? If so, are there better alternative measures for reducing its negative effects on each family? These questions needed to be addressed.

Taking Bosso, Minna for a case in this scenario may give better information about such effects. Minna is classified to have low economic status in the country as mentioned above; it is a home for different families from various ethnic groups in the country in search for employment and better life. As such removal of subsidy may increase the costs of basic living standards which may directly affect the mental health of the people, a key factor that might have been the cause of high poverty rate in the city. Hence, this study intends to shed comprehensive light on the impact of fuel subsidy removal on family mental health in Minna, using Bosso for analysis.

The removal of fuel subsidy has ultimately denied each family in Minna of accessibility and affordability of essential services, such as healthcare and education, places of work and other services, it has also made them to experience psychological distress, anxiety, and stress, as well as destruction of interpersonal relationships and family dynamics which grossly affect their mental health and wellbeing in the city. This paper tends to investigate and assess the impacts of fuel subsidy removal on family mental health in Minna, Niger state, with the view of assessing the levels of stress, anxiety, and other mental health indicators experienced by families in Minna as a result of the removal of fuel subsidy and identifying any potential factors that may mitigate the mental health effects of fuel subsidy removal.

### Concept and Meaning of Fuel Subsidy and Mental Health

According to Iyobhebhe, (2012), subsidy is a form of price manipulation whereby the pump price for sale to consumers is fixed by the government and the retailers are paid for the difference between the actual market price and the regulated or official price per litre. Millions of Nigerians had access to cheap refined petroleum products through fuel subsidy.

Fuel subsidy is one of the serious issues that control public debate in oil exporting developing nations and among the G-20. In Nigeria, larger proportion of the citizens are seriously resisting the removal of fuel subsidy which according to them is against the Millennium Development Goals (MDGs) of the government which aim to reduce the number of people living in poverty to less than 50% by 2015. Some public analysts believed that the pressure to remove subsidy is designed by experts with insufficient understanding of the Nigerian economy or who choose to ignore the inability of client governments to effectively implement anti-poverty programs.

The Nigerian government states that its Medium Term Fiscal Framework (MTFF) won't work unless the fuel subsidy is removed or to put it another way: that the removal of the subsidy is an integral part of its MTFF. That it needs the US\$6B savings for critical infrastructural development projects. This is the view of the Finance Minister & Coordinating Minister for the Economy, Dr. Okonjo Iweala (2011). The government is effectively arguing that the country can no longer afford it and that due to structural inefficiencies in the Nigerian downstream industry the ordinary man that was intended to benefit from fuel subsidy does not really get the benefit





as retailers refuse to pass on the subsidy to consumers at petrol stations. Government says they inherited the scheme. They are simply trying to get rid of a policy that various governments have attempted to reform but failed (Iyobhebhe, J. 2012).

Mental health is an essential component of human health. It is a level of psychological well-being that can enrich the body, soul and mind while being well-maintained, but it can also be undermined and induce serious mental illnesses such as depression, schizophrenia, and autism due to bad habits such as smoking and unhealthy diet. Risk factors at the individual level can be classified as biological, psychological, and behavioral factors. Biological factors refer to any prenatal deficits that an individual may have inherited from his/her biological relatives, or any un-ideal conditions that the individual is born with. Examples include but are not limited to injury and brain defects, chemical unbalances, infection, and toxins. Psychological factors are external stimuli that can have a negative impact on an individual's mental health. Typical stressors include unstable political environment, war, family separation and bereavement of loved ones. Behavioral factors are interrelated to one's lifestyle and are self-controllable. For example, lack of sleep is a potential risk factor that can certainly be avoided if one is adept at time management. Though each type of factor is significant in contributing to the mental disorder, scientists believe that mental illnesses are likely to have multiple causes due to the interaction of all types of risk factors (Alter Behavioral Health, 2021).

Mental health is shaped to a great extent by the social and economic environment in which people inhabit. Many people are aware that undesirable work setting, low income, and social exclusion (discrimination by race, gender, disability, age, etc.) can contribute to high levels of psychological stress which amounts to personal insecurity at the mental level, few is able to perceive this as a signal of developing potential mental disorder – a major pathway to cardiovascular diseases, violent injuries, and alcohol misuses (Green H, McGinnity A, Meltzer I, et al., 2004).

According to the U.S. Department of Health and Human Services in 2012 found out that anxiety disorders, such as generalized, panic disorder, and post-traumatic stress disorder (PTSD) and phobias were the most common among adults in the United States with 18.1% of the population having experienced them in a given year. Other most prevailing mental disorders include major depressive disorder (MDD) that affects 15.7 million, ADHD that affects 9.6 million, bipolar disorder that affects 6.1 million and schizophrenia that affects 2.8 million (MDD, bipolar disorder and schizophrenia which are considered severe mental illnesses affect 5.9% of the population). It is also important to note that 9.2 million adults with mental disorders also have co morbid SUD.

Fuel subsidy removal affected transport fares and motorist doubled transport charges. And since this happened during the Christmas period when many Nigerians had travelled with their families to celebrate the Christmas with their loved ones, many were stranded. Those who could afford it did so by leaving their families in their villages. People now ride on horse-powered taxis, some choose cow-powered land cruisers and even do motorcycle powered tourist wagon, all in an attempt to avoid the use of petrol and its cost. Increases in transportation always have ripple effects on the mental health of the families. The prices of food stuff also went up. The logic here was that food sellers use transportation to bring in food items and cars and vehicles have to struggle to get fuel at very exorbitant prices. The result was that the food sellers had to factor in the increment in order to make marginal gain (Ering, S. O. & Akpan, F.U., 2012).





## Study Context

Minna is a city in Niger state, Nigeria situated at 9.61° North latitude, 6.56° East longitude and 299 meters elevation above the sea level. Minna is 135km away from Abuja (the capital territory), 300km away from Kaduna, 90km away from Bida, 100km away from Suleja and about 130km from Kontogora. Minna encompasses two local government areas (Bosso and Chanchaga) spanning from Maikunkele in the North-west and Chanchaga in the South. Minna is surrounded by a range of hills that stretch from North-east westward towards Bosso and Tudun Fulani. The town is dissected at the lower part by River Suka and its tributaries. At the southeastern part of the town lies River Chanchaga (Niger State Government 2015).

## Method of Data Collection and Analysis

The data needed for this study include impact of subsidy removal on the social and psychological wellbeing of each family in Minna Niger State which were collected from primary sources using opened-end and closed-end structured questionnaires and interview and secondary sources through some selected health institutions to get recorded data related to mental health related issues in the study area, review of related works from books, journal articles and online publications. The questionnaires were administered to households randomly and some health institutions in the study via Open Data Kits (ODK).

Simple random sampling technique was adopted to determine the sample size.

In line with the recommendation of Nwana (1981) as pointed by Peter, et al. (2016) states that; a population is in several of thousands, 5% sample of the population or less would represent a good sample. Thus, 0.125% sample of the population was adopted to give a sample size of 318. Therefore, a total of 318 structured questionnaires were administered to households in the study area.

Data collected were analysed using descriptive statistics with the help of computer software Microsoft Excel in order to achieve high accuracy and avoid miss-representation and presentation of irrelevant data for the study. The data were presented descriptively in pie charts, bar charts and frequency distributive tables.

## Discussion of Results

### Socioeconomic Characteristics of Respondents

The result of the conducted survey reveals that 56% of the respondents sampled were female while 44% are male. It shows that there are more female in the study area than male. The result of the study carried out also shows that 8.5% of the respondents falls below 20 years, 20.1% falls between the age of 20 and 25, 27.6% attained the age of 31 years and above and 43.8% of the people fall between the age of 26 and 30 years which is the highest age range in the area, indicating that the area has a high range of workforce population. The result further shows that household size of 6-10 has the highest percentage with 32.7% followed by 11-15 with 32.1%. This indicates that the study area consists of large family per household. The result of the field survey shows that 38.4% and 36.8% of the respondents have the total monthly income of N41,000 – N50,000,000 and less than N30,000 respectively which are the highest and only 9.4% earns N51,000 and above.



is an indication that more than half of the population in the study area is low income earners. The respondents that attained secondary school certificates has the highest with 42.1% followed by those attained that of primary school with 28.6% and 23.3% of the population in tertiary education while only 6.0% did not have formal education. This is an indication of high level of literacy in the area.

### Assessment of overall mental health

Survey conducted in the study area shows the result of the current rate of mental health issues within the families on the scale of 1-10 in which 25.5% of the respondents has the highest followed by 23.3%, 22.3% and 10.1% with the scale of 9, 10, 7 & 8 respectively while scale 4, 5 & 6 have lower percentage of respondents. This indicates that the families in the study area are currently experiencing high negative change in their mental health since the removal of the fuel subsidy (figure 2).

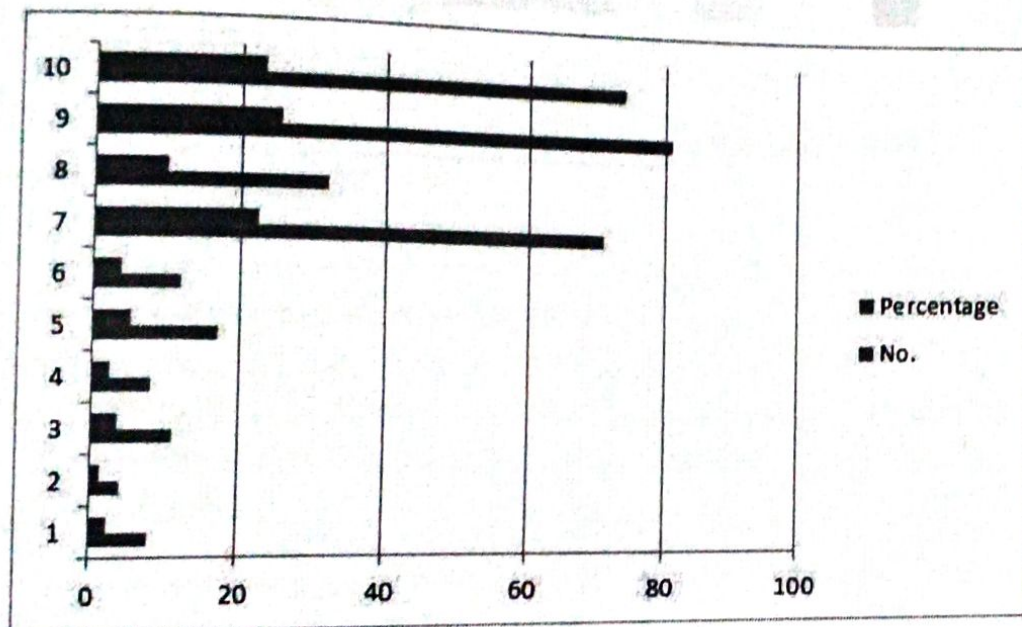


Figure 2: showing result on the current rate of mental health issues in the family using the scale

Authors' field work, 2023.

### of Stress

Result of the survey conducted reveals that 64.2% of the respondents experience stress daily, which is the highest among 18.3%, 12.3%, 5.2% that experience it once in a while, monthly and not often respectively (table 2). It was further revealed that the daily experience of stress is due to the increase in cost of transportation due to the fuel subsidy removal, which made it more difficult for families to get to work, school and other important activities. This is because the cost of transporting goods and services increased (figure 3).

Figure 3: showing the manner the people feel stress due to financial concerns related to the fuel subsidy removal

removal	Once in a while	Monthly	Not often	Total
				218



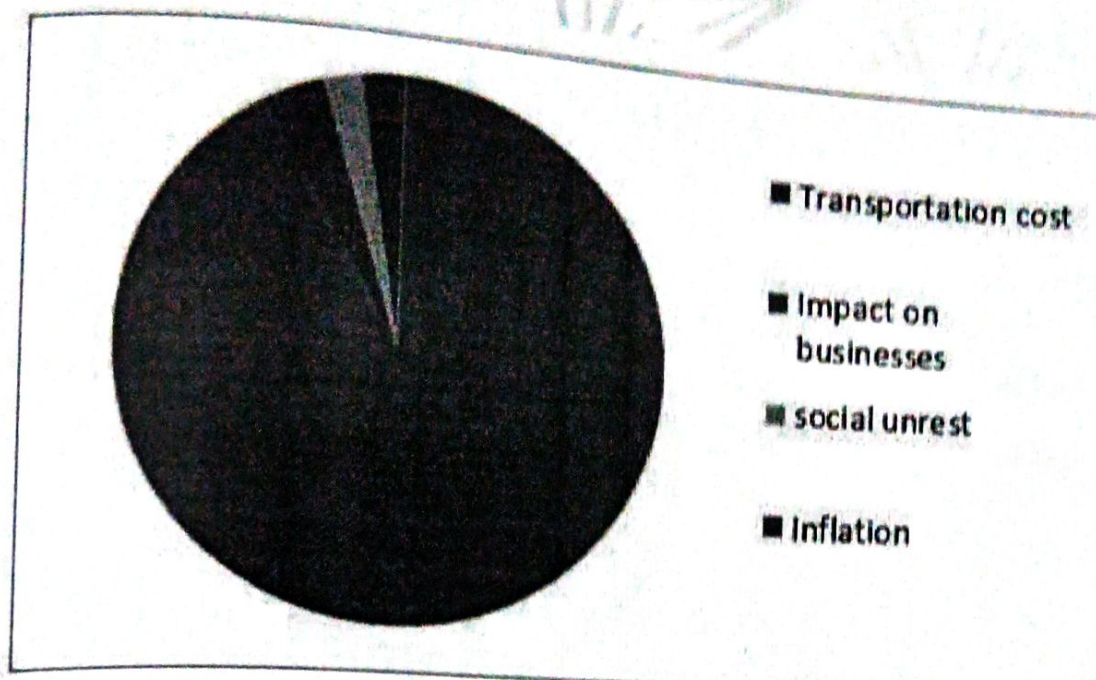


Figure 3: showing results on sources of stress in the people daily life due to the change.  
Source: Authors' field work, 2023.

### Anxiety Level

The result of the conducted survey as shown in figure 3 below reveals that 95.6% of the respondents have increased in their level of anxieties while only 4.4% do not have increased in their anxiety level. This indicates that the families in the study area have increased in their level of anxieties which are triggered by some thoughts as seen in figure 4 below since the removal of fuel subsidy.

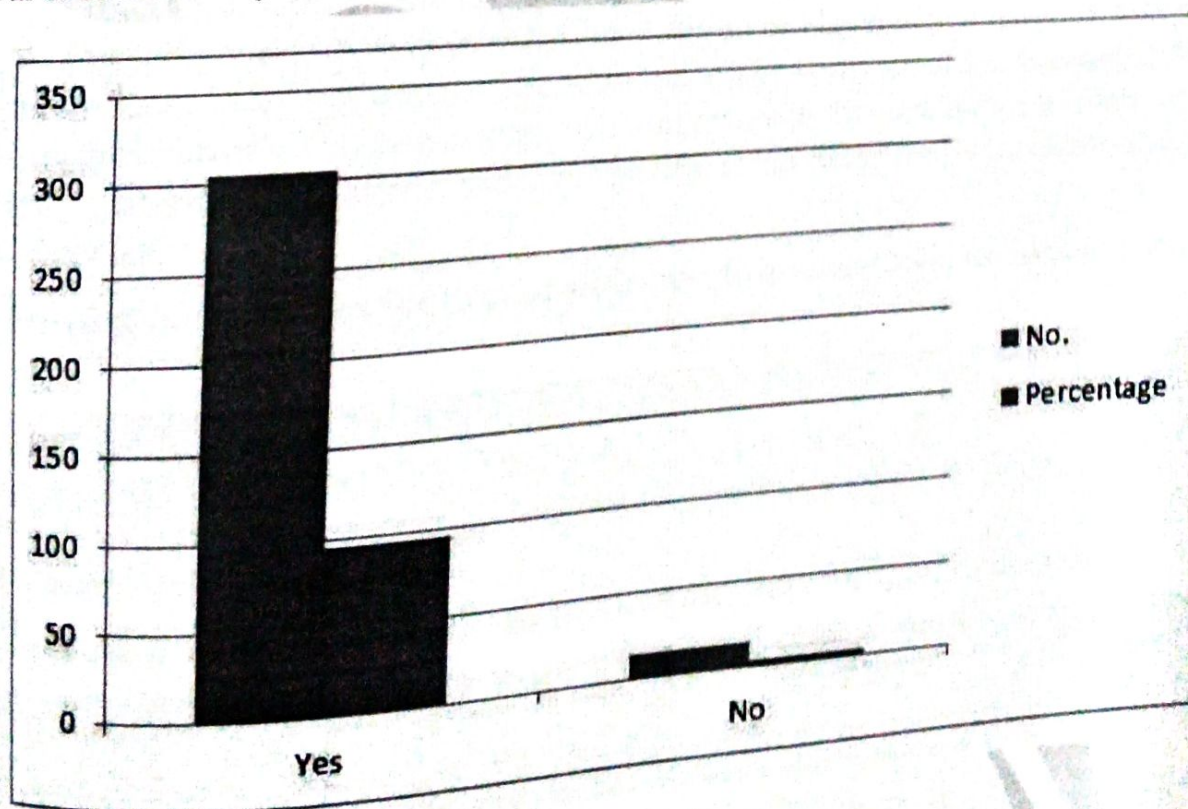


Figure 4: showing result of increased in anxiety  
Source: Authors' field work, 2023.