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IMPACT OF FUEL SUBSIDY REMOVAL ON ROAD INFRASTRUCTURAL DEVELOPMENT IN THE FEDERAL CAPITAL TERRITORY, ABUJA

[1] Ekwem Virginus Ezidowa N.*, [2] Canice E. Erunke, & [3] Luka Ruth Caleb
***Corresponding authors' email**: venndu@yahoo.com

[1 - 3] Department of Political Science, Nasarawa State University Keffi – Nigeria

ABSTRACT

This study examines how the removal of fuel subsidies in Nigeria has affected road infrastructure development in the Federal Capital Territory (FCT), Abuja. Fuel subsidy removal, a major and often controversial policy shift, was intended to free public funds for critical sectors such as infrastructure. The research assesses whether fiscal resources released from subsidy withdrawal have influenced the planning, financing, and implementation of road projects in the FCT. The study population consisted of 3,067,500 people, including staff from the Ministry of Works and Housing, the Ministry of Transportation, Civil Society Organizations, transport operators, and fuel retailers across the six Area Councils: Abuja Municipal, Abaji, Bwari, Gwagwalada, Kuje, and Kwali. Using Yamane's (1967) sample size formula, a sample of 400 respondents was selected. Of the 400 questionnaires distributed, 367 were properly completed and returned for analysis. The study employed a mixed-methods design, drawing on both primary and secondary data to provide a comprehensive assessment of the policy's effects. Findings show that while respondents acknowledge certain improvements or positive expectations regarding infrastructure development, the removal of the fuel subsidy has also created notable socioeconomic challenges. A key concern is the sharp rise in household transportation costs, which respondents identified as an immediate burden affecting urban mobility and overall welfare. These regressive short-term effects highlight the need for complementary policies. Consequently, the study recommends that government implement social protection interventions, including subsidized public transportation for vulnerable groups, to mitigate the financial strain associated with higher fuel and transport prices.

Keywords*:* Fuel Subsidy Removal, Road Infrastructure, Development, Economic Development, Fiscal Reform
JEL Classification Code:

1.0 Introduction

The removal of fuel subsidies in Nigeria has emerged as a contentious economic policy with profound implications for national development, particularly in the area of infrastructural growth. As one of Africa's largest oil-producing nations, Nigeria has historically maintained fuel subsidies to stabilize domestic fuel prices and shield its population from global oil price volatility. These subsidies were initially implemented with the intention of making petroleum products affordable to the populace and supporting economic activity. However, over the years, this policy has become economically unsustainable due to its immense fiscal burden and inefficiency in achieving its distributive objectives (Ovaga & Okechukwu, 2022).

Fuel subsidy, in essence, is a government policy intervention that reduces the retail price of petroleum products by covering part of the cost, thereby allowing consumers to purchase fuel at prices below the international market rate. Although this mechanism was introduced to ease economic pressure on citizens, especially the poor, empirical evidence suggests that fuel

subsidies tend to disproportionately benefit wealthier households who consume more fuel, while also encouraging overconsumption and smuggling of subsidized fuel to neighboring countries (Ozili & Ozen, 2021). Moreover, the continuation of subsidies has diverted significant public resources from critical sectors, such as healthcare, education, and infrastructure development (Couharde & Mouhoud, 2020).

Historically, Nigeria's commitment to subsidizing fuel dates back to the 1970s following the oil boom era, where the government, buoyed by crude oil revenues, implemented extensive price controls on petroleum products. Over time, the cost of maintaining the subsidy regime escalated, becoming a major source of fiscal strain. By the early 2000s, successive Nigerian administrations attempted to reform or eliminate fuel subsidies, often encountering widespread public resistance and civil unrest due to the immediate impact on transportation costs and inflation (Ogbu, 2023). Despite these challenges, the Nigerian government officially removed the fuel subsidy in June 2023, citing its unsustainable fiscal burden and the need to reallocate funds toward economic development priorities, including infrastructure in critical areas such as the Federal Capital Territory (FCT), Abuja (Federal Ministry of Finance, 2023).

Globally, the debate on fuel subsidies mirrors Nigeria's dilemma. According to the International Energy Agency (IEA), fossil fuel subsidies reached $1 trillion globally in 2022, significantly higher than global development aid, which stood at $204 billion in the same year (IEA, 2023). These figures underscore the opportunity costs associated with maintaining fuel subsidies funds that could otherwise be directed toward capital projects and infrastructure, especially in developing countries facing severe infrastructural deficits (Couharde & Mouhoud, 2020). The Federal Capital Territory (FCT), Abuja, as Nigeria's political and administrative center, provides a unique case for examining the potential redirection of subsidy funds towards road infrastructure development. Given its central role in national planning and governance, investment in the FCT's infrastructure can yield significant multiplier effects on the economy. However, the extent to which the removal of fuel subsidies has translated into tangible road infrastructural development within the FCT remains a subject of policy and academic inquiry.

1.2 Statement of the Problem

Fuel subsidy removal has become a contentious policy issue in Nigeria due to its significant socioeconomic implications. Originally introduced to shield citizens from volatile global oil prices especially after the 1973 oil shock fuel subsidies have since faced scrutiny over their long-term sustainability and effectiveness (Ozili & Obiora, 2023). Over the years, these payments have significantly strained Nigeria's national finances. In 2022 alone, the country reportedly spent over $6 billion on fuel subsidies, accounting for approximately 23% of the national budget (Ozili & Obiora, 2023). In light of this, the federal government announced a phased removal of fuel subsidies in June 2023, citing fiscal responsibility and the need to reallocate funds toward development priorities, particularly infrastructure.

Despite the economic rationale, public skepticism persists, especially regarding the policy's social and developmental consequences in urban areas like the Federal Capital Territory (FCT), Abuja. Following the subsidy withdrawal, residents of Abuja like many Nigerians faced sharp increases in transportation costs, food prices, and the overall cost of living, with few or no palliative measures introduced in advance. This economic strain has raised serious concerns about the government's preparedness to manage the aftermath, particularly in addressing poverty and inequality (Umeji & Eleanya, 2021).

Existing studies have primarily examined the macroeconomic effects of fuel subsidy removal, such as inflation, poverty, and labor market dynamics (Okonjo-Iweala, 2018; Eze, 2024;

Adegbite et al., 2023). Others have explored its political economy and implications for public welfare. However, a noticeable research gap exists regarding the specific implications of this policy shift on infrastructural development, especially in the Federal Capital Territory. In particular, empirical evidence is lacking on whether the fiscal savings from subsidy removal are being translated into tangible improvements in road infrastructure, which is critical to the city's socio-economic functioning. This study, aimed to examine the extent has the removal of the fuel subsidy impacted road infrastructure development and to evaluate how have residents of the FCT perceive the outcome of the fuel subsidy removal.

2.0 Conceptual Literature

Subsidy

Okwanya, Ogbu and Pristine (2020) describe subsidies as government interventions that reduce consumer prices of essential goods below market equilibrium to improve access for low-income groups. Their perspective emphasises price control as the primary tool for enhancing economic welfare. However, their discussion overlooks broader institutional and socio-economic mechanisms, such as income redistribution, employment generation, and social protection systems, that also play crucial roles in reducing poverty and expanding access to essential goods and services. This narrow focus leaves a conceptual gap regarding how non-price interventions, including fiscal reforms, infrastructure expansion, and capacity-building programmes, contribute to fair economic outcomes for vulnerable populations. As a result, the literature lacks a more holistic examination of alternative policy instruments.

Similarly, Kadiri and Lawal (2021) define subsidies as government-funded reductions in the market prices of goods or services to increase affordability for disadvantaged groups, centring their analysis on financial incentives and price adjustments. Yet, they also fail to account for wider structural and institutional determinants of economic wellbeing, such as job creation, educational development, and infrastructure improvement. Their omission exposes a significant theoretical limitation, as it neglects how non-financial interventions, particularly investments in education, healthcare, and social amenities, can drive sustainable poverty reduction and long-term economic empowerment for low-income communities.

Fuel Subsidy Removal

Fuel subsidy removal is widely understood as a government decision to end financial support for petroleum products so that fuel prices reflect actual market conditions. Aniemeke (2024) views it as a policy aimed at reducing fiscal pressures, limiting corruption, and enhancing macroeconomic stability by eliminating subsidies that distort fuel prices. Likewise, Izom, Wakili, and Aliyu (2023) describe it as the systematic withdrawal of state subventions driven by rising subsidy costs, smuggling, and mounting public debt, with the expectation that savings will be redirected to critical sectors such as infrastructure, health, and education. Expanding this perspective, Edime Yunusa, Yakubu, Emeje, Ibrahim, and Stephen (2025) frame subsidy removal in Nigeria as the end of implicit or explicit transfers that kept fuel prices artificially low, transitioning the country toward international market-based pricing and generating consequences for poverty levels, inflation, and social welfare.

Although these definitions emphasize economic, fiscal, and social motivations, they insufficiently address the political dynamics shaping subsidy reform. They overlook how political actors, institutional structures, public sentiment, and interest groups influence the feasibility and acceptance of such policies. Fuel subsidy removal is not purely a technical adjustment but a politically contested process requiring negotiation, compromise, and legitimacy. A holistic conceptualization must therefore integrate both economic imperatives and political realities to fully explain how subsidy reforms are formulated and implemented.

Infrastructural Development

Across existing scholarly perspectives, infrastructural development in Nigeria has been broadly conceptualized as a multidimensional process encompassing the construction, expansion, and modernization of essential public systems and services. Asaju (2023) emphasizes the development of both "hard" and "soft" infrastructural assets necessary for national development and social welfare, while Akomolehin, Olusegun, Famoroti et al. (2025) view infrastructure as an integrated and interdependent system whose improvement drives long-run economic growth through enhanced productivity and reduced transaction costs. Similarly, Ogbonna (2024) describes infrastructural development as the outcome of deliberate public investment in large-scale public systems designed to support economic activity, welfare enhancement, and governmental functions.

Although these definitions collectively highlight the foundational role of infrastructure and recognize its systemic, developmental, and economic significance, they remain highly aggregated and insufficiently sector-specific. Each definition provides a broad conceptual orientation but offers limited analytical precision regarding the unique characteristics of road infrastructure. Specifically, none of the conceptualizations adequately address the technical, spatial, financial, and governance-related dimensions that shape road network performance such as engineering standards, maintenance regimes, funding mechanisms, network connectivity, and spatial equity.

This lack of sectoral disaggregation creates a conceptual gap for research focused on road infrastructural development. Existing definitions do not capture road infrastructure as a distinct analytical category with its own operational requirements, developmental implications, and policy challenges. Consequently, there is a need for a more nuanced conceptualization that recognizes road infrastructural development as a deliberate, structured, and sustainable process involving the planning, construction, rehabilitation, and long-term maintenance of road networks to improve mobility, enhance trade logistics, and foster socio-economic integration.

2.1 Empirical Review of Related Studies

In light of the fuel subsidy removal, a number of empirical studies have been carried out to analyses its effects on Infrastructural Development in Nigeria. Wahab and Idera (2025) conducted a state-level investigation focused on Kwara State to assess how the subsidy removal influenced market prices and the resulting implications for household welfare. Anchored in the Economic Shock Theory, their study employed a mixed-methods approach involving surveys, interviews, and market observations. Quantitative data were analyzed using Analysis of Variance (ANOVA). The findings indicated substantial increases in the prices of transportation and food commodities, disproportionately affecting low-income households. Based on these findings, the authors recommended the implementation of targeted subsidies and social safety nets to cushion the adverse effects on vulnerable populations.

Ali, Ahmad, and Jibrilla (2024) investigated the immediate socioeconomic impacts of subsidy removal on household welfare in Adamawa State. Guided by the theory of income and substitution effects, their research utilized a survey of 400 households across six Local Government Areas (LGAs), with data analyzed through descriptive statistical methods. The study revealed a moderate decline in household spending capacity and heightened anxiety regarding the affordability of essential services. Consequently, the authors recommended implementing gender-, education-, and marital-status-sensitive social support mechanisms,

alongside policies promoting improved access to services and broader economic diversification.

Yusuf and Ibrahim (2021), investigated the relationship between fuel subsidy removal and its implications for urban infrastructure expansion and planning in Abuja. The central objective of their study was to assess the extent to which the withdrawal of fuel subsidies has influenced infrastructural development and urban planning within the FCT. Anchored in Public Choice Theory, the study adopted a mixed-methods approach comprising survey data collected from 350 residents and in-depth interviews with 10 urban planning officials. Their findings indicated that although the elimination of subsidies expanded the government's fiscal space, the anticipated improvements in infrastructure delivery remained limited due to persistent bureaucratic inefficiencies. Based on these insights, the authors recommended enhanced transparency in the reallocation of subsidy-derived funds and advocated for targeted investments in infrastructure to optimize the benefits of subsidy reforms.

Impact of Fuel Subsidy Removal on Infrastructural Development in the Federal Capital Territory (FCT), Abuja

The removal of fuel subsidies in Nigeria has significant implications for infrastructural development, particularly in the Federal Capital Territory (FCT), Abuja. This policy shift directly influences the fiscal framework within which infrastructure financing is situated. The impact can be analysed through the following dimensions:

1. Fiscal Space and Infrastructure Financing

Fuel subsidy payments have long strained the federal budget, limiting the government's ability to allocate resources to capital expenditure, including infrastructural development (Okongwu & Imoisi, 2022). Abuja, being Nigeria's seat of government, is heavily reliant on federal allocations for infrastructure projects. The cessation of fuel subsidy payments presents an opportunity to reallocate substantial financial resources towards infrastructure in the FCT. For instance, in 2022, the Federal Government resorted to consistent borrowing from the Central Bank of Nigeria (CBN) to finance subsidies, accumulating a debt of approximately ₦22.7 trillion, which was subsequently securitized in 2023 (Ozili, 2022; Ozili & Obiora, 2023). The removal of subsidies reduces the fiscal burden, potentially freeing up funds for investment in transportation infrastructure, urban development, and public utilities within Abuja. This policy shift indicates a gradual movement towards more sustainable public finance practices, with positive long-term implications for infrastructural development in the capital city.

2. Inflationary Pressures and Construction Costs

Despite its long-term benefits, the immediate aftermath of subsidy removal has been characterized by significant inflationary pressures. The sharp increase in petrol prices from ₦190 per litre in May 2023 to over ₦617 by July 2023 has led to increased transportation and logistics costs (Mohammed et al., 2020). In Abuja, where urban development is closely tied to the cost of construction materials and services, the spike in fuel prices has contributed to escalating costs for infrastructure projects. Contractors face higher input costs, including cement, steel, and labour, leading to project delays, cost overruns, or outright abandonment. The resultant inflation disproportionately affects low-income areas within the FCT, where infrastructural projects are often most needed.

3. Social Impact and Infrastructure Demand in Urban Slums

The removal of fuel subsidies has exacerbated socioeconomic inequalities, particularly in peri-urban and low-income settlements within the FCT, such as Nyanya, Kubwa, and Lugbe. Households in these communities are highly sensitive to fuel price shocks due to their dependence on public transportation and limited disposable income (Raji, 2018). As fuel prices rise, the cost of living increases, reducing the capacity of residents to contribute to communal infrastructure development or maintenance efforts.

4. Fiscal Sustainability and Infrastructure Investment

The redirection of funds previously allocated to fuel subsidies has the potential to enhance fiscal sustainability, thereby creating an enabling environment for infrastructure investment in Abuja. Fuel subsidies contributed significantly to Nigeria's budget deficit; their removal opens opportunities for more strategic capital budgeting (Ozili & Obiora, 2023). In the FCT, improved fiscal health can translate into increased investments in transportation networks (such as road dualization and mass transit systems), healthcare infrastructure (primary health centres and hospitals), and educational facilities (primary and secondary schools). Moreover, the elimination of subsidies fosters a more transparent allocation of resources, reducing inefficiencies and corruption often associated with opaque subsidy regimes. This can enhance donor and private sector confidence, which are crucial for public-private partnership (PPP) arrangements in infrastructure financing.

5. Market Efficiency and Urban Infrastructure Planning

From an economic standpoint, subsidy removal corrects market distortions, allowing for more efficient allocation of resources. In the context of Abuja, this could lead to a re-evaluation of urban infrastructure planning strategies, where investments are guided by actual demand and cost-efficiency rather than artificially low energy prices. The adjustment may encourage the adoption of energy-efficient building practices and increased investment in alternative transport modes such as electric buses or rail systems, reducing the city's carbon footprint and dependence on fossil fuels.

6. Risk of Social Unrest and Infrastructure Disruption

However, one of the unintended consequences of subsidy removal is the heightened risk of protests and social unrest, especially in urban centres like Abuja (Houeland, 2020). The absence of timely palliatives and social support measures may trigger public dissatisfaction, leading to demonstrations that could disrupt infrastructural development efforts. Social instability can deter both local and foreign investment in capital projects and delay the implementation of government infrastructure programmes. In a city as politically significant as Abuja, such disruptions carry broader implications for national governance and economic stability.

2.2 Theoretical framework

The Keynesian Economic Theory, as advanced by the British economist John Maynard Keynes in his seminal work The General Theory of Employment, Interest and Money (1936), provides a relevant analytical framework for understanding the macroeconomic implications of fuel subsidy removal on road infrastructural development in the Federal Capital Territory (FCT), Abuja. Keynesian theory challenges classical assumptions of automatic market self-correction, particularly during periods of economic downturn or stagnation. It emphasizes the critical role of aggregate demand as the principal driver of output, employment, and economic stability, advocating for active government intervention primarily through fiscal policy to manage economic cycles.

At the core of Keynesian thought is the proposition that public expenditure can serve as an effective counter-cyclical instrument, particularly when private sector investment and consumption are insufficient to sustain economic growth. The theory asserts that increased government spending especially on capital projects can stimulate economic activity, create employment, and generate multiplier effects that propagate through the broader economy. This fiscal activism becomes particularly important in developing economies facing structural deficiencies, such as Nigeria. In the context of the FCT, the withdrawal of fuel subsidies between 2020 and 2025 can be critically analyzed through this Keynesian theory. Historically, Nigeria's fuel subsidy regime was designed to shield consumers from volatile international oil prices. However, over time, these subsidies imposed a significant fiscal burden on the national budget, diverting scarce public resources away from capital investment in productive sectors, notably infrastructure. The policy shift to remove fuel subsidies was therefore framed as a necessary fiscal reform aimed at reorienting government expenditure toward long-term developmental priorities.

Applying Keynesian logic, the redirection of funds previously allocated to recurrent fuel subsidies toward capital-intensive road infrastructure projects in Abuja represents a strategic fiscal reallocation. Such investments are consistent with the Keynesian prescription for demand-side interventions, which prioritize government spending in sectors that can stimulate employment and generate positive externalities. Road infrastructural development, in particular, embodies a high-multiplier investment with far-reaching effects on productivity, mobility, and economic integration. Empirical evidence within the FCT during the 2020–2025 period demonstrates that funds previously expended on subsidies were partially redirected to finance road expansion, urban transit systems, and associated infrastructure. These initiatives contributed to short-term job creation in construction and related industries, while simultaneously improving long-term economic efficiency by reducing transportation bottlenecks, lowering logistical costs, and enhancing access to markets and services. Moreover, these infrastructure investments are likely to attract complementary private sector investments, thereby catalyzing broader economic development.

3.0 Methodology

This study employed a descriptive survey research design to gain a comprehensive understanding of the research problem. The descriptive design was chosen as it allows for the collection of detailed information that facilitates deeper insights into the phenomenon under investigation. The target population comprised 3,067,500 individuals, including staff from the Ministry of Works and Housing, the Ministry of Transportation, members of Civil Society Organizations (CSOs), transport operators, and fuel retailers operating across the six Area Councils of the Federal Capital Territory (FCT), Abuja. These councils include: Abuja Municipal Area Council, Abaji, Bwari, Gwagwalada, Kuje, and Kwali. To determine the appropriate sample size, this study employed Yamane's (1967) sample size determination formula, which is widely utilized in social science research. Based on this method, a sample size of 400 respondents was calculated. Subsequently, 400 structured questionnaires were distributed, of which 367 were duly completed and retrieved for analysis. The instrument was divided into two sections: Section A captured demographic and personal information of respondents. Section B comprised structured multiple-choice questions to facilitate ease of response and uniformity in data analysis. The study employed both simple random sampling and purposive sampling techniques. Simple random sampling was utilized in the distribution of questionnaires to ensure each member of the population had an equal chance of being selected. In contrast, purposive sampling was adopted during the interview phase to select individuals with specialized knowledge relevant to the study. Quantitative data obtained from the questionnaires were analyzed using descriptive statistics, specifically simple percentages, to interpret and present the findings systematically.

3.1 Data Analysis and Presentation of Result

This section presents the analysis of data collected through the administered questionnaires and provides a detailed interpretation of the findings. The retrieved and completed questionnaires were systematically coded, entered, and analyzed using appropriate statistical tools. Descriptive statistics such as frequencies and percentages were employed to summarize the data.

Table 1: Analysis of Questionnaires administered

Questionnaire Details	Frequency	Percentage
Distributed Copies of Questionnaire	400	100%
Returned Copies of Questionnaire	367	91.75%
Unreturned Copies of Questionnaire	33	8.25%
unused Questionnaire	0	0.00%
Usable Questionnaire	367	91.75%

Source: Field Work, August, 2025

Table 1 presents a summary of the distribution, retrieval, and usability of the questionnaires administered to respondents in the course of investigating the impact of fuel subsidy removal on road infrastructural development within the Federal Capital Territory (FCT), Abuja. Out of a total of 400 questionnaires distributed, 367 were duly completed and returned, representing a high response rate of 91.75%. Conversely, 33 questionnaires were not returned, accounting for 8.25% of the total distribution. Notably, there were no unused or discarded questionnaires, as all distributed copies were accounted for.The high response rate also suggests a significant level of interest or concern among the respondents regarding the topic under investigation, possibly reflecting the perceived or experienced implications of fuel subsidy removal on public infrastructure, particularly road development, in the FCT.

Distribution of Respondents According to their Socio-economic Characteristics

Table 2: Gender of Respondents

S/n	Gender	Frequency	Percentage
1	Male	233	63.5%
2	Female	134	36.5%
3	Total	367	100

Source: Field Work, August, 2025

The gender distribution of respondents, as presented in Table 2, reveals a total of 367 individuals who participated in the study. Of this number, 233 respondents were male, representing 63.5% of the total sample, while 134 were female, accounting for 36.5%. This demographic composition indicates a male-dominant respondent pool, suggesting that men constituted a significantly larger proportion of individuals who provided data for this research.

Table 3. Age of Respondents

S/N	Age Range	Frequency	Percentage

1	18-25	59	16.07%
2	26-35	98	26.70%
3	36-45	139	37.87%
4	46-55	47	12.80%
5	56 and above	24	6.54%
6	Total	367	100

Source: Field Work, August, 2025

Table 3 above shows that 5 respondents representing 16.07% were age between 18 to 25 years, followed by 98 respondents representing 26.70% were those between 26 to 35 years, 139 respondents representing 37.873% fall between the age bracket of 36 to 45 years, 47 respondents representing 12.80 0% were age between 46 to 55 years, while 24 respondents representing 6.54% were age 56 and above. The implication of the above analysis shows that, the majority of the participant in this study were age from 36 to 45 years.

Table 4. Educational Qualification of Respondents

S/n	Level of Education	Frequency	Percentage
1	Primary School Certificate	64	17.44%
2	Secondary School Certificate	98	26.70%
3	University/Polytechnic Degree	163	44.40%
4	Post Graduate Degree	42	11.45%
5	Total	367	100

Source: Field Work, August, 2025

Table 4 above shows 64 respondents representing 17.44% holds Primary School certificate, 98 respondents representing 26.70% are secondary school certificate holders, 163 respondents representing 44.40% are graduates of university or polytechnic and 42 respondents representing 11.45% are holders of post graduates degree. The implication of the above analysis indicates that majority of the respondents are holders of University/ Polytechnic Degree.

Response to Research Questions

In this section, the study analyzes the responses to questions posed to respondents in order to assess the impact of fuel subsidy removal on road infrastructure development and residents' perceptions in the Federal Capital Territory (FCT), Abuja. Some questions required simple Yes or No answers, in which case the results are presented using percentages. Other questions allowed respondents to select multiple options based on their perceptions.

Table 5: since the removal of the fuel subsidy, have you observed an increase in road construction or rehabilitation projects in your area?

Responses	Frequency	Percentage
Yes	239	65.13%
No	128	34.87%
Not sure	0	0%

Total	367	100

Source: Field Work, August, 2025

The table 5 above shows that 239 respondents representing 65.13% affirmed that the removal of the fuel subsidy has had a positive or observable impact on road infrastructural development within the FCT, while 128 respondents representing respondents 34.87% indicated that they did not perceive any impact of the subsidy removal on road infrastructure. Notably, no respondents (0%) selected "Not sure" From the above analysis, it shows a clear majority, suggesting a widespread perception that the reallocation of funds previously used for fuel subsidies may have been directed toward infrastructural improvements, particularly in road construction or maintenance.

Table 6. How would you rate the quality of road infrastructure development in the FCT since the fuel subsidy removal?

Responses	**Frequency**	**percentage**
Excellent	97	26.43%
Good	157	42.78%
Fair	62	16.90%
Poor	38	10.35%
Very Poor	13	3.54%
Total	367	100

Source: Field Work, August, 2025

From the data presented in table 6, it is evident that a majority of respondents (69.21%) rated the quality of road infrastructure development in the FCT as either Good (42.78%) or Excellent (26.43%) since the removal of the fuel subsidy. This suggests a generally positive perception of infrastructural improvements post-subsidy removal. On the other hand, a smaller segment of respondents expressed dissatisfaction, with 10.35% rating development as Poor and 3.54% as Very Poor, together representing 13.89% of the sample. An additional 16.90% of respondents selected Fair, indicating a moderate view. The results suggest that the removal of the fuel subsidy may have had a catalytic effect on road infrastructural investment or rehabilitation in the FCT, possibly due to reallocation of public funds previously earmarked for subsidy payments. The high percentage of positive responses may reflect visible improvements in road conditions, new constructions, or maintenance activities.

Table 7. Have you noticed improvements in the maintenance of existing roads since the subsidy removal?

Responses	**Frequency**	**percentage**
Significant improvement	92	26.43%
Some improvement	155	42.78%
No change	74	16.90%
Decline	35	10.35%
Not sure	11	3.54%

Total	367	100

Source: Field Work, August, 2025

The data presented in Table 7, illustrates public perception of changes in the maintenance of existing roads in the Federal Capital Territory (FCT), Abuja, following the removal of fuel subsidies. Out of a total of 367 respondents, a plurality of participants reported experiencing at least some level of improvement in road maintenance. A majority, comprising 155 respondents (42.78%), indicated that there had been some improvement in the maintenance of existing road infrastructure. This is followed by 92 respondents (26.43%) who perceived a significant improvement. Cumulatively, these two categories account for approximately 69.21% of the sample population, suggesting that a substantial proportion of residents perceive a positive correlation between the fuel subsidy removal and enhanced road maintenance activities. In contrast, 74 respondents (16.90%) perceived no change, implying that for a notable segment of the population, the policy shift has yet to manifest observable infrastructural benefits. Additionally, 35 respondents (10.35%) reported a decline in road maintenance, indicating that for some, the removal of fuel subsidies may have had adverse or negligible infrastructural outcomes. A small proportion (3.54%) expressed uncertainty, selecting not sure as their response.

The predominance of positive responses suggests that the reallocation of funds previously directed toward fuel subsidies may be beginning to yield tangible dividends in the road infrastructure sector. However, the presence of dissenting and uncertain responses also signals the need for a more detailed assessment of the policy's implementation and its spatial distribution of infrastructural benefits. The variation in perceptions may be influenced by location-specific factors, differing levels of government efficiency, or lags in policy impact.

Table 8. How timely have ongoing road projects been executed in the FCT after the fuel subsidy removal?

Responses	**Frequency**	**percentage**
Very timely	56	15.26%
Timely	77	20.99%
Delayed	163	44.40%
Severely delayed	48	13.08%
Not applicable / No projects observed	23	6.27%
Total	367	100

Source: Field Work, August, 2025

The data presented in the table 8, provides critical insights into public perception regarding the timeliness of ongoing road infrastructure projects in the Federal Capital Territory (FCT) following the removal of fuel subsidies. The table shows that 163 respondents (44.40%) perceived that road projects have been delayed, while an additional 48 respondents (13.08%) categorized the execution as severely delayed. Together, these two categories account for 57.48% of the total responses, indicating a prevailing perception of project inefficiency and sluggishness in implementation timelines post-subsidy removal. In contrast, only 77 respondents (20.99%) reported that projects were executed in a timely manner, and a mere 56 respondents (15.26%) considered the implementation to be very timely. These combined figures (36.25%) suggest that while some projects may have continued on schedule, they represent a minority relative to those experiencing delays. A small segment of the sample population, 23 respondents (6.27%), indicated not applicable / No projects observed,

suggesting either a lack of awareness of ongoing infrastructural activities in their immediate environment or an actual absence of projects within certain areas of the FCT.

Table 9. How has the removal of the fuel subsidy affected your personal or household transportation expenses?

Responses	Frequency	percentage
Greatly increased	188	51.23%
Slightly increased	145	39.51%
No change	13	3.54%
Decreased	21	5.72%
Not applicable	0	0.00%
Total	367	100

Source: Field Work, August, 2025

Table 9 above shows the Impact of Fuel Subsidy Removal on Personal or Household Transportation Expenses. The data reveals a significant upward trend in transportation costs, with 188 respondents representing 51.23% indicating that their expenses have greatly increased, while an additional 145 respondents representing 39.51% reported a slight increase. Collectively, this indicates that over 90% of respondents experienced an increase in transportation costs following the policy change. However, only 13 respondents representing 3.54% reported no change in their transportation expenses, while a mere 21 respondents representing 5.72% observed a decrease. Notably, no respondents (0%) selected the not applicable option, suggesting a universal relevance of transportation expenses across the sample population.

From the perspective of road infrastructural development, while the subsidy removal may potentially free up public funds for capital projects including road infrastructure this benefit must be weighed against the immediate adverse effects on household welfare and mobility. The sharp increase in transportation costs may limit the public's capacity to fully access and benefit from any newly developed or improved road infrastructure. Therefore, while the policy may be fiscally advantageous in the long term, its short-term impact on transportation affordability and access underscores the need for mitigating interventions, such as targeted transportation subsidies or public transport improvements.

Table 10. What is your overall opinion on the government's decision to remove the fuel subsidy?

Responses	Frequency	percentage
Strongly support	77	20.99%
Support	69	18.80%
Neutral	15	4.09%
Oppose	107	29.16%
Strongly oppose	99	26.97%
Total	367	100

Source: Field Work, August, 2025

Table 10 above shows 77 respondents representing 20.99% strongly support the removal of the fuel subsidy, 69 respondents representing 18.80% expressed support, while 107 respondents representing 29.16% opposed the removal of the fuel subsidy, while 99 respondents representing 26.97% strongly opposed the decision and only 15 respondents representing 4.09% indicating no clear stance on the issue.

This distribution suggests a predominantly negative public perception of the subsidy removal policy, at least in the context of its impact on road infrastructure in the FCT. While a considerable minority supports the decision possibly viewing it as a necessary economic reform or a means to redirect resources toward infrastructure development, the majority of respondents appear skeptical or critical, likely due to immediate socioeconomic hardships, inflationary pressures, or doubts about effective allocation of the savings derived from subsidy removal.

Table 11. Do you think the government has communicated effectively about how the subsidy savings are being used?

Responses	Frequency	percentage
Yes, very effectively	81	22.07%
Somewhat effectively	69	18.80%
Not effectively	161	43.87%
No communication at all	32	8.72%
Not sure	24	6.54%
Total	367	100

Source: Field Work, August, 2025

Table 11, presents the perceptions of 367 respondents regarding the transparency and effectiveness of governmental communication following the removal of fuel subsidies, particularly in relation to road infrastructural development in the Federal Capital Territory (FCT), Abuja.

81 respondents representing 22.07% reported that the government has communicated very effectively, while 69 respondents representing 18.80% consider the communication to be somewhat effective. However, 161 respondents representing 43.87% perceive that the government has not communicated effectively about the utilization of the subsidy savings. Additionally, 32 respondents representing 8.72% stated that there has been no communication at all.

A small proportion of the sample of 24 respondents representing 6.54% indicated that they were not sure, highlighting a level of uncertainty or disengagement with government outreach strategies. Combined, over half of the sample population (52.59%) expressed dissatisfaction or a lack of awareness regarding governmental efforts to inform the public on how the saved funds are being reallocated.

4.0 Discussion of Findings

i. The findings of this study reveal a generally positive public perception regarding the impact of fuel subsidy removal on road infrastructure development within the Federal Capital Territory (FCT), Abuja. A substantial

proportion of respondents reported observing increased road construction or rehabilitation activities since the removal of the subsidy. These perceptions suggest that a considerable portion of the populace believes that funds previously allocated to fuel subsidies may have been redirected toward capital investment in transport infrastructure.

ii. Despite these positive perceptions of infrastructure development, the removal of the fuel subsidy has generated significant socioeconomic concerns, particularly regarding household transportation costs. The data show that respondents experienced increased transportation expenses, with many reporting a substantial rise highlighting the immediate regressive effects of the policy on urban mobility and household welfare. This sharp increase in personal expenditure could limit equitable access to improved infrastructure, especially among lower-income residents, thereby undermining the inclusivity of the policy's benefits.

5.0 Conclusion

The removal of fuel subsidy in Nigeria presents a complex interplay of challenges and opportunities, particularly in the realm of infrastructural development. In the Federal Capital Territory, Abuja, this policy shift has resulted in a noticeable rise in fuel prices, which has consequently driven up transportation costs, placing additional financial pressure on individuals, commuters, and small businesses. The ripple effects are being felt across various sectors, including logistics, public transport, and daily economic activities. However, despite these short-term difficulties, the removal of the subsidy opens a crucial window for long-term national development. By eliminating the substantial financial burden that fuel subsidies placed on the national budget, the government now has the opportunity to reallocate these freed-up funds toward critical sectors such as infrastructure. If efficiently and transparently managed, these resources can be invested in the construction and rehabilitation of road networks, bridges, and transport systems within Abuja and beyond. Such investments have the potential to not only improve mobility and reduce traffic congestion but also stimulate economic growth, attract investment, and enhance the overall quality of life for residents.

5.1 Recommendations

Based on the findings on the impact of fuel subsidy removal on road infrastructure development in the Federal Capital Territory, Abuja, the following strategic measures are recommended to maximize the benefits of this policy shift:

i. Government agencies should provide regular public updates on how funds previously allocated to fuel subsidies are being redirected and utilized for road infrastructure projects. This transparency will strengthen public trust and reinforce the perception of positive change. To ensure broad-based benefits, infrastructure improvements should be evenly distributed across both urban and peri-urban areas of the FCT, particularly in underserved communities to avoid spatial inequality in development outcomes.

ii. The government should also consider introducing social protection measures, such as subsidized public transport for vulnerable populations, to cushion the immediate financial burden caused by increased fuel and transport costs. Strengthening public transport infrastructure (e.g., buses, light rail) will provide cost-effective alternatives to private vehicle use, reduce individual transportation costs, and promote sustainable urban mobility for all income groups.

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