



EMPIRICAL ANALYSIS OF THE EFFECT OF FUEL SUBSIDY REMOVAL ON ACADEMIC STAFF PRODUCTIVITY IN COLLEGES OF EDUCATION IN BENUE STATE, NIGERIA

Ker Godwin^{1*} and Hiam Aondoawase²

¹Department of Economics, College of Education, Katsina- Ala, Benue State, Nigeria.
Email: kergodwin@gmail.com; Tel.: 07037782232

²Department of Economics, College of Education, Katsina- Ala, Benue State, Nigeria.
Email: hiamaondoawase@gmail.com; Tel.: 08134725128

*Corresponding Email Address: kergodwin@gmail.com

Cite this article:

Ker, G., Hiam, A. (2025), Empirical Analysis of the Effect of Fuel Subsidy Removal on Academic Staff Productivity in Colleges of Education in Benue State, Nigeria. African Journal of Economics and Sustainable Development 8(1), 26-41. DOI: 10.52589/AJESD-RZIYAPEJ

Manuscript History

Received: 18 Nov 2024

Accepted: 12 Jan 2025

Published: 21 Jan 2025

Copyright © 2025 The Author(s).

This is an Open Access article distributed under the terms of Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International (CC BY-NC-ND 4.0), which permits anyone to share, use, reproduce and redistribute in any medium, provided the original author and source are credited.

ABSTRACT: *The study has empirically analysed the effect of fuel subsidy removal on academic staff productivity in Colleges of Education in Benue State, Nigeria. A cross-sectional survey research design was adopted for the study. The study population comprises all academic staff of the state-owned Colleges of Education in Benue State. A sample of 223 respondents was used for the study using multistage sampling techniques. Questionnaires alongside interviews were used for data collection. Data was analysed using charts, frequencies, percentages and simple regression analysis. The results of the study indicated that the high cost of living, transportation costs and being unable to fuel vehicles were factors affecting the productivity of the academic staff. More so, the study found that fuel subsidy removal has a significant relationship with the extent of the cost of living of academic staff in Colleges of Education in Benue State. Finally, the study established that fuel subsidy removal has a significant relationship with the level of productivity of academic staff in Colleges of Education in Benue State. Therefore, the study concluded that fuel subsidy removal has posed a great challenge to the academic staff concerning their effectiveness in performing their core responsibilities in the Colleges of Education in Benue State. The study recommended that the state government through the Ministry of Education should intervene in providing cash transfer schemes, transport vouchers and mass transit schemes among others to the academic staff in order to reduce their suffering due to the elimination of fuel subsidies.*

KEYWORDS: Empirical Analysis, Effect, Fuel Subsidy Removal, Academic Staff, Productivity.



INTRODUCTION

Productivity is the key concept in education given that the productivity of teachers is one of the critical issues in achieving educational outcomes. Generally, productivity in education particularly teachers' productivity entails improvement in the performance of teachers in the teaching and learning process resulting in having graduates that are morally, spiritually, physically and mentally sound to fit into the society (Oduwaiye & Oyedepo, 2017). Nurhizrah (2020) averred that teachers' productivity is determined by the quantity, quality and timeline of teachers in accomplishing their tasks in terms of planning, implementing, evaluating the learning process and professional development. This implies that the professional development of academic staff is necessary for increasing academic staff productivity.

Academic staff according to Imam (2024) are the professionals that perform the function of teaching, research and other academic activities in tertiary institutions. Ogunode and Adamu (2021) simply put that academic staff are the teachers in tertiary institutions. As such, productivity among academic staff in tertiary institutions, especially Colleges of Education is essential for the overall realization of the quality of education provided. Isaac-Philip and Mohammed (2024) supported that academic staff are important personnel in tertiary institutions that enable the institution to attain its set goals. Uchechi, Ebere and Sheila (2024) stressed that one of the primary roles of academic staff in higher education institutions deals with imparting knowledge and facilitating learning among students. Thus, the productivity of academic staff to some extent can be determined by the extent to which they perform their role of imparting knowledge and facilitating learning among students.

Consequently, academic staff productivity encompasses various aspects such as teaching effectiveness, research output, administrative contributions, and overall impact within the academic community (Uchechi, Ebere & Sheila, 2024). John and Smith (2020) asserted that understanding and enhancing academic staff productivity are critical for fostering an environment conducive to learning, innovation, and academic excellence. This is because effective teaching requires continuous improvement, innovation in instructional methods, and responsiveness to diverse learning needs. However, Uchechi, Ebere and Sheila (2024) argued that productivity in teaching involves several factors, such as classroom engagement, curriculum development, and student outcomes. Therefore, academic staff productivity in teaching can be assessed through student evaluations, peer reviews, and educational outcomes (Brown & Johnson, 2019).

It therefore follows that; academic staff productivity can be affected by a number of factors. Some of the factors highlighted by Isaac-Philip & Mohammed (2024) are employment security, incentives, workload, and socioeconomic status among others. Another great determinant of teachers' productivity is the cost of living. The cost of living is the cost involved in attaining the barest minimum of the basic necessities of life in a given period of time (Rusli, Nor & Zakaria, 2020). The Office for National Statistics (ONS) (2014) viewed the cost of living as the cost of purchasing enough amounts of different goods to achieve the lowest standard of living. In this sense, the astronomical increases in the price of goods and services can cause pain and hardship to teachers due to their low take-home pay (Tijani & Abdullahi, 2021).

In Nigeria, fuel subsidy removal triggers a high rate of inflation which creates a lot of difficulties and hardship for the consumers. As the Nigerian Economic Summit Group (2023) explained the main idea behind subsidy is to help consumers purchase needed goods and



services which they may ordinarily not be able to afford. Nigerians have benefitted substantially from paying lower prices for petroleum products since the 1970s due to subsidies. However, subsidy payments for petroleum products escalated to the tune of N11.4 trillion between 2015 to 2023 (Uchechi, Ebere & Sheila, 2024). Given the huge payments the Nigerian government made for petroleum products in form of subsidy, the government declared the removal of fuel subsidy on May 29, 2023.

Given the unusual rise in the pump price of fuel which is the first of its kind since the history of Nigeria as a result of fuel subsidy removal and floating exchange rate introduction which hugely led to the unusual depreciation of Naira, the purchasing power of consumers has been drastically reduced. All the efforts of the Central Bank of Nigeria to control the high rate of inflation have yet to yield any substantial results. Surely, the high rate of inflation faced by consumers and academic staff has the tendency to create financial stress for households since there is an astronomical increase in the prices of food items, transportation, and medications among others. Most households are experiencing emotional trauma due to the high cost of living brought about by the fuel subsidy removal. The emotional state of mind of individuals is therefore a very important variable that determines the level of productivity of workers. As Jason (2023) affirmed that happy workers are more productive, more engaged, and more likely to stay with the organisation.

Statement of the Problem

Almost all countries in the world have their fundamental goals which are to pursue the welfare and well-being of their citizens. These fundamental goals sometimes can be achieved through government interventions. Subsidy is one of the age-long interventions of the government to ensure the welfare of the masses. In Nigeria, the major area that attracted the attention of the government which was instrumental in the price stability in the country is energy. Successive governments in Nigeria intervened in subsidizing fuel and electricity. Conversely, the persistent rise in the prices of fuel due to subsidy elimination has made life unbearable for workers as their conditions of living worsen (Lawal & Mahmoud, 2024). By implication, if life becomes unbearable for workers, it means that workers may not be happy. Then, an extensive study by the University of Oxford (2024) into happiness and productivity found that workers are 13% more productive when happy.

Given the above scenario, there is a need to empirically analyze the consequence of fuel subsidy withdrawal on academic staff productivity in Colleges of Education in Nigeria. However, there are a few studies such as Danlami, Ibrahim and Abdulkadir (2023); Uchechi, Ebere and Sheila (2024), Joy and Philip (2024); Imam (2024) which were conducted on the influence of fuel subsidy withdrawal on academic staff productivity in tertiary institutions. However, the above-mentioned studies were conducted in different states other than Benue State. Thus, this study was conducted in Benue State to determine the influence of fuel subsidy elimination on the productivity of academic staff in Colleges of Education in Benue State in order to fill the gap created in the existing literature.

Objectives of the Study

The specific objectives of the research project were to:

- i. Determine factors affecting the productivity of academic staff in Colleges of Education in Benue State.



- ii. Find out how academic staff in Colleges of Education in Benue State perceived the policy of removal of fuel subsidy.
- iii. Assess the extent to which the removal of fuel subsidy influences the cost of living of academic staff in Colleges of Education in Benue State.
- iv. Determine the level of productivity of academic staff in Colleges of Education in Benue State.
- v. Find out the approaches that can be used in reducing the influence of the removal of fuel subsidies on the productivity of academic staff in Colleges of Education in Benue State.

Research Questions

- i. What are the factors affecting the productivity of academic staff in Colleges of Education in Benue State?
- ii. How do academic staff in Colleges of Education in Benue State perceive the policy of removal of fuel subsidy?
- iii. What is the extent to which the removal of fuel subsidy influences the cost of living of academic staff in Colleges of Education in Benue State?
- iv. What is the level of productivity of academic staff in Colleges of Education in Benue State?
- v. What are the approaches that can be used in reducing the influence of the elimination of fuel subsidy on the productivity of academic staff in Colleges of Education in Benue State?

Research Hypotheses

The study postulates that:

- i. H₀₁: Fuel subsidy removal has no significant relationship with the extent of the cost of living of academic staff in Colleges of Education in Benue State.
- ii. H₀₂: Fuel subsidy removal has no significant relationship with the level of productivity of academic staff in Colleges of Education in Benue State.

LITERATURE/THEORETICAL UNDERPINNING

Fuel Subsidy Removal

The term subsidy is an economic terminology employed as an economic policy (Lawal & Mahmoud, 2024). As an economic policy, the subsidy is a direct budgetary payment by a government to a producer or consumer to make a certain product(s) affordable (OECD, 2013; Iortule & Hiam, 2024). A subsidy can be also described as a reverse tax (Babagana, 2023). Danlami, Ibrahim and Abdulkadir (2023) submitted that subsidy is the process of the government reducing the prices of products for citizens with low purchasing power to enable them to acquire such products with ease. The fuel subsidy is therefore any kind of assistance



or intervention by the government aimed at making petroleum products affordable for consumers who cannot afford them to improve consumers' well-being and boost economic activities in an economy (Iortule & Hiam, 2024). Opeyemi, Philip, Oluseyi, Oluwasogo and Ese (2019) affirmed that fuel subsidy could be seen as an intervention by the government to settle the variations in the prevailing market cost of fuel in order to make the product affordable to the final consumers. Nuhu (2023) noted that fuel subsidy is the variance between the real market costs of fuel products per litre and the actual amount the final consumers are paying for the same products. Therefore, fuel subsidy removal is the situation whereby the fuel products are being sold at the prevailing market price (Yunusa, Yakubu, Emeje, Ibrahim, Stephen & Egbunu, 2023).

Academic Staff Productivity

Academic staff is the personnel employed for research and teaching in tertiary institutions (Keith, 2019). Imam (2024) explained that academic staff are those responsible for teaching undergraduate and graduate courses in the area of specialization in tertiary institutions. According to Ogunode and Adamu (2021), academic staff are teachers teaching at tertiary education levels. The term productivity on the other hand can be viewed as the ratio between output and factor inputs, such as men, machines, materials, technology and management (Arikpo, Ulayi, Anipi, & Rose, 2024). In terms of teachers' productivity, teachers' productivity is a systematic effort geared towards bringing about positive change in learners' performance and ultimately output (Mustapha, Suzanah & Fatima, 2020). Hence, productive teachers bring about high students' academic performance. Joy and Philip (2024) succinctly defined academic staff productivity in terms of job performance as the relationship between the instructional characteristics of lecturers and students' achievement in and out of the classroom. Odili, Chukwuka, Paul and Kingsley (2022) asserted that lack of human capital development index, poor governance, poor standard of living and low wages make productivity of labour low. Isaac-Philips and Mohammed (2024) added that stress, fatigue, burnout and life events can affect employee productivity. Arikpo, Ulayi, Anipi & Rose (2024) discovered that high rent, high cost of food, high transportation and workers' health significantly relate to workers' productivity.

Theoretical Framework

The study adopted the Theory of Planned Behaviour (TPB); The Public Choice Theory and Marshallian Demand Theory and the Theory of Utility as theoretical frameworks. The TPB was proposed by Icek Ajzen in 1991. The theory posited that an individual's behaviour is influenced by their attitudes, subjective norms, and perceived behavioural control. As such, TPB provides a basis aimed at comprehending how the elimination of fuel subsidies influence consumer buying behaviour in Nigeria at large (Nwachukwu & Tumba, 2023). That is, examining the attitudes of consumers towards subsidy removal, the social norms that shape their decision-making, and their perceived control over purchasing decisions give insights into how households' welfare can be affected due to subsidy removal which has implications on productivity.

Similarly, the ordinary theory of demand, also called the Marshallian theory of demand was developed by Alfred Marshal in 1890, to explain the behaviour of consumers. The theory reveals that the higher the price of a commodity (*ceteris paribus*), the lower the quantity of the commodity the consumers will purchase. Likewise, a decrease in the price of the commodity



will lead to an increase in the quantity demanded and this can be called the law of demand (Onov, Ngutsav, Ijirshar & Nwogu, 2021). As such, the removal of fuel subsidy makes academic staff park their cars due to the high price of fuel products which affect their mobility going to the workplace.

Empirical Evidence on Fuel Subsidy Removal, Cost of Living and Productivity Nexus

Empirical evidence from Nigeria and beyond indicates that fuel subsidy removal affects academic staff welfare and productivity. According to Salvucci (2022), the cost of living is an assessment of the financial outlay associated with residing in a specific location throughout a designated time frame, encompassing elements such as food, rent, and gas expenses. Nova Credit (2023) viewed the cost of living as the monetary requisites for maintaining a lifestyle at a particular juncture, covering fundamental living costs such as food, shelter, transportation, healthcare etc.

Accordingly, Nwachukwu and Tumba (2023) submitted that the elimination of fuel subsidy resulted in an abrupt increase in fuel prices, which cascaded into higher costs of transportation and essential goods and services. Suleiman (2023) listed the adverse effects of fuel subsidy removal on consumers in terms of price volatility, inflationary pressure and social unrest and protest. A study by Imam (2024) precisely recognised an increase in school fees, social vices and academic corruption as an influence of the withdrawal of fuel subsidy on academic staff, students, and university administration in Nigeria. The researcher further asserted that many academic staff can no longer discharge their cardinal functions of teaching, researching and providing community services because of unbearable economic difficulties brought about by the elimination of fuel subsidy.

Uchechi, Ebere and Sheila (2024) found out that the withdrawal of fuel subsidy has a negative influence on the travelling costs of academic staff, demotivates academic staff and also affects staff punctuality in tertiary institutions in Rivers State. The study concluded that financial strain, potential demotivation, and the subsequent impact on punctuality collectively contribute to a challenging environment for educators. Similarly, a study by Joy and Philip (2024) concerning tertiary institutions in Rivers State proved that the level of the negative consequence of fuel subsidy withdrawal on research and publications, class attendance, invigilation and supervisory functions of lecturers was to a high extent. Both studies recommended that a financial incentive such as a bonus should be given to workers to motivate them.

In their study, Danlami, Ibrahim and Abdulkadir (2023) found out that the lecturers' condition in Niger State College of Education, Minna deteriorated due to the withdrawal of fuel subsidy by the government regardless of gender. This has been the concerning hardship resulting from the elimination of fuel subsidy on academic staff performance in the study area. Similarly, Ogunode and Aregbesola (2023) submitted that the elimination of subsidy has a negative effect on school administration due to the rise in the cost of running schools which has some negative consequences on teaching and learning programmes.



METHODOLOGY

This study was carried out in State-owned Colleges of Education in Benue State namely; the College of Education, Katsina-Ala and the College of Education, Oju. Though, the College of Education, Katsina-Ala is located in Zone A Senatorial District, the College of Education, Oju is located in Zone C Senatorial District. Benue is a state in Nigeria and was created on February 3rd 1976. The study employed a cross-sectional survey research design. The population comprises all academic staff in the State-owned Colleges of Education in Benue State. A sample size of 223 respondents was selected from 18 departments using multistage sampling techniques. Questionnaire alongside interviews were adopted as instruments for data collection. Two scholars in humanities and social sciences have done face validation of the instruments. The reliability index of 0.50 obtained from Cronbach Alpha techniques through a pilot study was considered reliable for use in the study. The principal researcher conducted the research with the help of co-researchers and research assistants when they were educated on how to administer the questionnaires. Charts, frequencies and percentages were used in answering research questions while simple regression analysis was employed to test the hypotheses formulated at 0.05 alpha level of significance.

Model Specification

Therefore, Salvucci (2022), Nova Credit (2023) established that the cost of living encompasses elements such as the cost of food, rent, and gas expenses, transportation, healthcare among others. Then, the model for the cost of living of academic staff was explicitly expressed as:

$$COLA = \beta_0 + \beta_1COFI + \beta_2COMG + \beta_3COFU + \beta_4COTR + \beta_5COME + \epsilon \dots\dots\dots (1)$$

where

COLA = Cost of living of academic staff

COFI = Cost of food items

COMG = Cost of manufactured goods

COFU = Cost of fuel

COTR = Cost of transportation

COME = Cost of medication

β_0 = Constant

β_{1-6} = Parameters to be estimated

ϵ = Error term

In the same vein, the model for academic staff productivity was explicitly expressed as;

$$ASPRO = \alpha_0 + \beta_1EDLS + \beta_2FSRP + \beta_3COLA + \beta_4MSAS + \epsilon \dots\dots\dots (2)$$



where

ASPRO = Academic staff productivity

EDLA = Educational level of academic staff

FSRP = Fuel subsidy removal policy

COLA = Cost of living of academic staff

MSAS = Monthly salaries of academic staff

RESULTS/FINDINGS

Analysis of Research Question 1: What are the factors affecting the productivity of academic staff in Colleges of Education in Benue State?

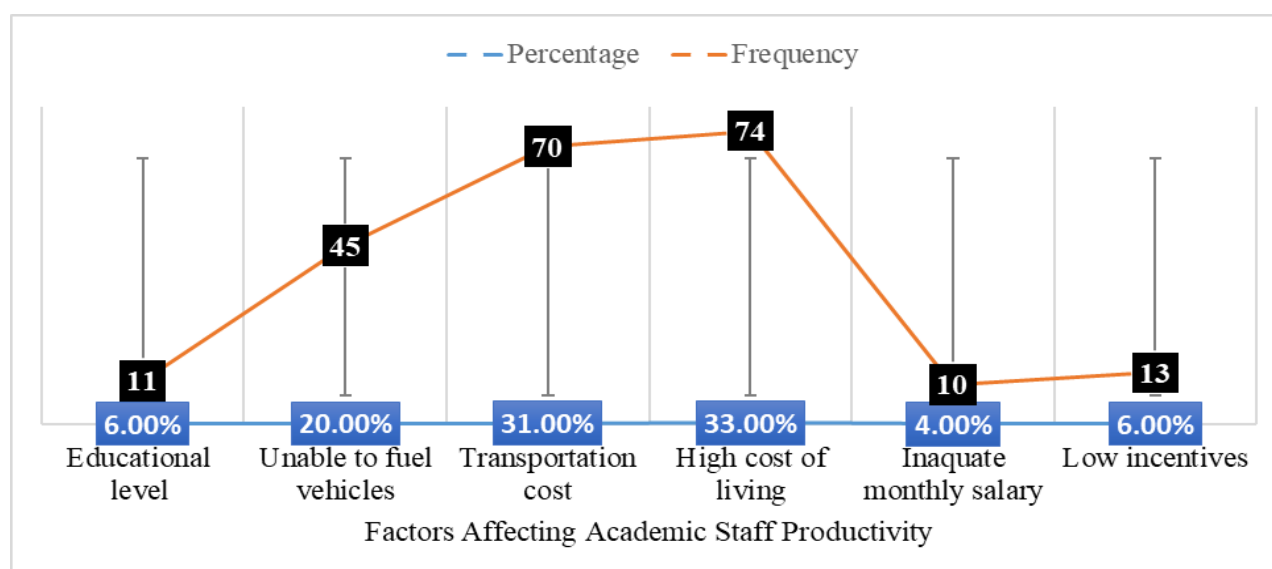


Figure 1: Factors affecting academic staff productivity

The results with respect to the factors affecting academic staff productivity as presented in Figure 1 showed that 74 (33.00%), 70 (31.00%), and 45 (20.00%) of the respondents considered the high cost of living, transportation costs and being unable to fuel their vehicles. Thus, the least were those who believed that low incentives, educational level, and inadequate monthly salary affect their productivity numbered 13 (6.00%), 11 (6.00%) and 10 (4.00%) accordingly.

Analysis of Research Question 2: How do academic staff in Colleges of Education in Benue State perceive the policy of removal of fuel subsidy?

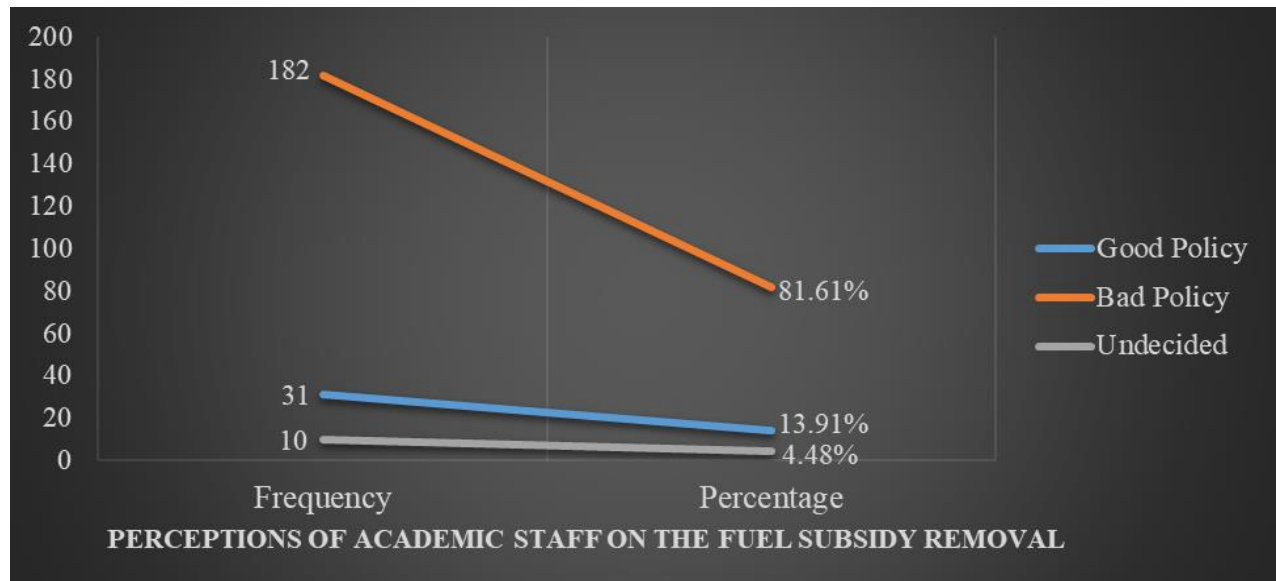


Figure 2: Perception of academic staff on the fuel subsidy removal policy

Figure 2 indicated that 182 (81.61%) of respondents felt that the elimination of fuel subsidy is a bad policy while 31 (13.91%) of the respondents perceived the policy as a good one. Meanwhile, 10 (4.48%) of the respondents were undecided.

Analysis of Research 3: What is the extent in which the removal of fuel subsidy influences the cost of living of academic staff in Colleges of Education in Benue State?

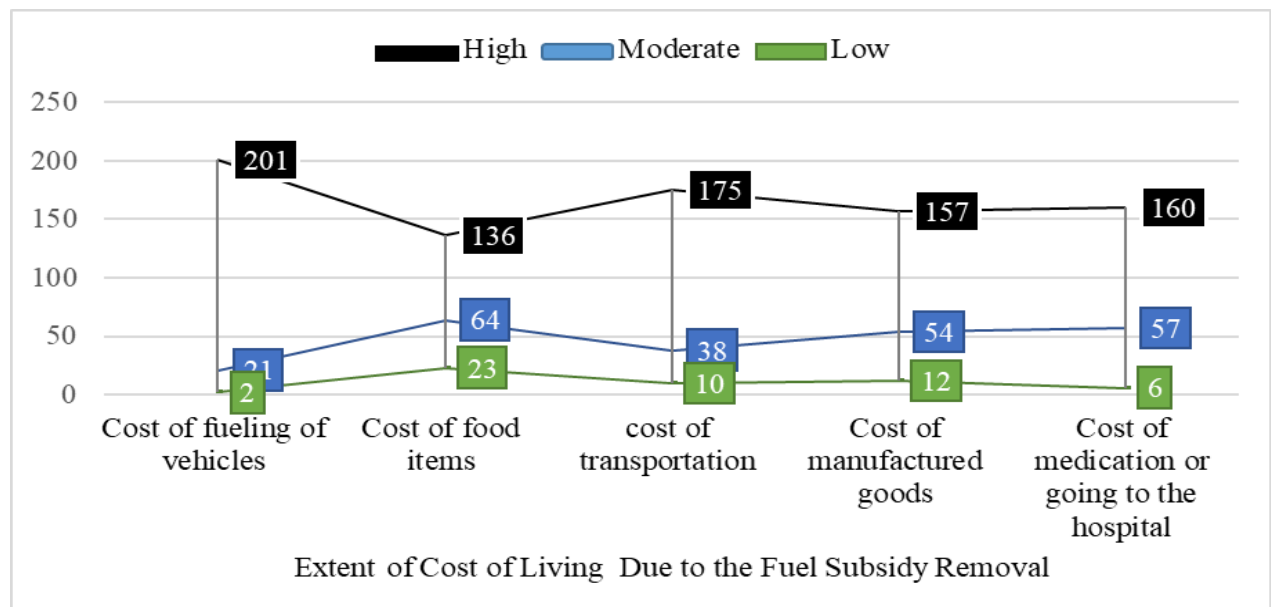


Figure 3: The extent to which removal of fuel subsidy influences the cost of living of academic staff



Figure 3 revealed that the withdrawal of fuel subsidy influences the cost of living of academic staff to a high extent given that most of the respondents numbering 201 (90.13%), 136 (60.99%), 175 (78.48%), 157 (70.40%) and 160 (71.75%) accepted that there was high cost of fueling vehicles, food items, transportations, manufactured goods and medication or going to the hospital respectively. However, a good number of 21 (9.42%), 64 (28.70%), 38 (17.40%), 54 (24.22%) and 57 (25.56%) respondents were of the opinion that the influence of fuel subsidy withdrawal on the cost of fueling vehicles, food items, transportations, manufactured goods and medication or going to the hospital in that order was moderate. Similarly, only 2 (0.9%), 23 (10.31%), 10 (4.48%), 12 (5.38%) and 6 (2.69%) of the respondents opposed the cost of fueling vehicles, food items, transportation, manufactured goods and medication or going to the hospital respectively were low.

Analysis of Research Question 4: What is the level of productivity of academic staff in Colleges of Education in Benue State?

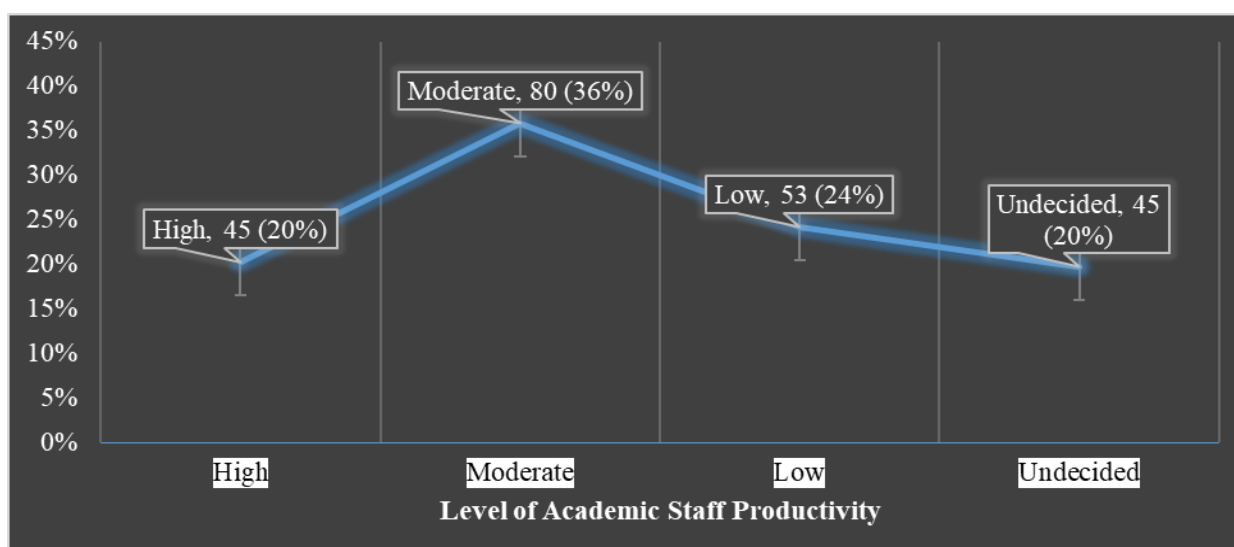


Figure 4: The level of productivity of academic staff in Colleges of Education in Benue State

The level of productivity of academic staff as in Figure 4 indicated that most, 80 (36%) of the respondents supported that the level of productivity was moderate while a good number, 53 (24%) of the respondents opposed that the level of productivity was low. On the contrary, 45 (20%) of the respondents each agreed that the level of productivity was high and undecided respectively.

Analysis of Research Question 5: What are the approaches that can be used in reducing the influence of elimination of fuel subsidy on the productivity of academic staff in Colleges of Education in Benue State?

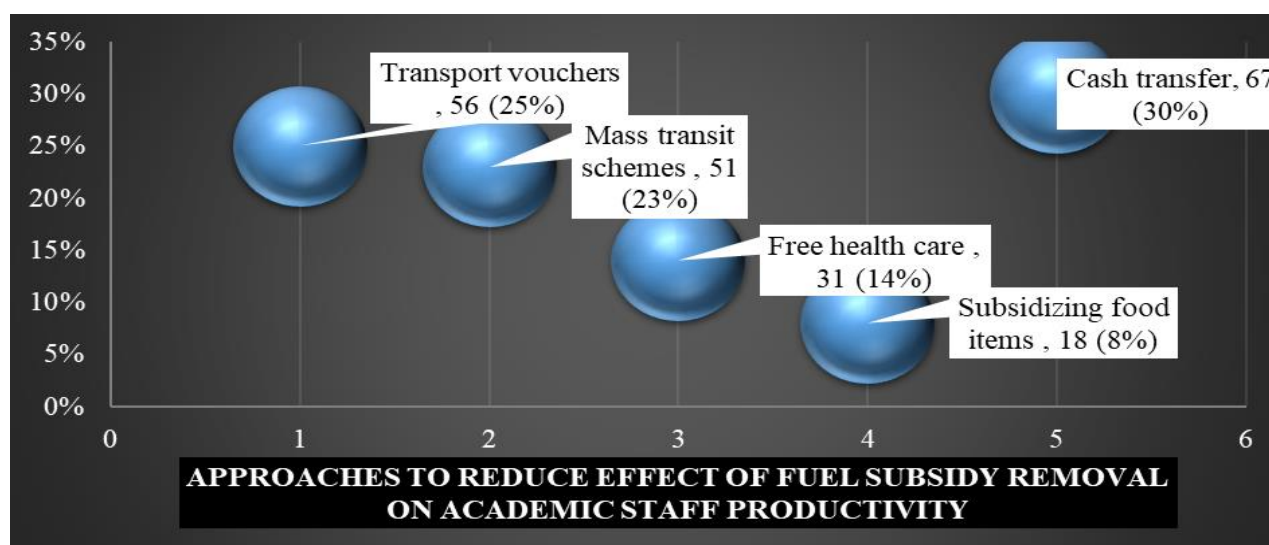


Figure 4: Approaches that can be used in reducing the effect of fuel subsidy removal on the productivity of academic staff in Colleges of Education in Benue State

Figure 3 revealed that a good percentage of 30%, 25% and 23% of the respondents were of thought that cash transfer scheme, transport vouchers, mass transit schemes were the approaches that could be used to reduce the effect of withdrawal of fuel subsidy on productivity of academic staff, whereas 14% and 8% of the respondents opined that free health care and subsidizing food items were the solution.

Hypothesis One (H₀₁): Fuel subsidy removal has no significant relationship with the extent of cost of living of academic staff in Colleges of Education in Benue State.

Table 1: Simple regression test of relationship between fuel subsidy removal and the extent of cost of living of academic staff in Colleges of Education in Benue State

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-24.37668	6.477841	-3.763087	0.0002
COFI	33.59737	0.260886	14.86027	0.0000
COFU	21.49198	0.350514	9.143525	0.0000
COME	1.423182	0.024464	1.389197	0.1662
COTR	0.713200	0.120526	0.336331	0.7369
COMG	0.349979	0.481961	0.236159	0.8135
R-squared	0.587920			
Adjusted R-squared	0.578425			
F-statistic	61.91930	Durbin-Watson stat		1.950112
Prob(F-statistic)	0.000000			

Source: Computed by the Researcher, 2024 using E.view 10

From the results in Table 1, all the independent variables namely cost of food items (COFI), cost of fuel (COFU), cost of medication (COME), cost of transportation (COTR) and cost of manufactured goods (COMG) have a positive estimated coefficient of 33.59737, 21.49198, 1.423182, 0.713200 and 0.349979 correspondingly. This implies that increase in the cost of food items, fuel, medication, transportation and manufactured goods resulted in high cost living



of the academic staff in the study area. However, all the variables were statistically insignificant at 0.05 alpha level of significance except cost of food items and cost of fuel which were significant at 0.05 alpha level of significance.

The R-squared was 0.587920 meaning that about 59% variations in the cost of living of academic staff were explained by the independent variables included in the model whereas 41% constituted other factors responsible for the variations in the cost of living but not included in the model. The Durbin-Watson statistic value of 1.950112 was within the acceptable range of between 1.50 - 2.50 meaning that there was no serial correlation within the data. Also, the F-statistic was 61.91930 with Prob (F-statistic) of 0.000000 which was significant at 5% level of significance. Therefore, the null hypothesis one was rejected, meaning that fuel subsidy removal has a significant relationship with the extent of cost of living of academic staff in Colleges of Education in Benue State.

Hypothesis Two (Ho2): Fuel subsidy removal has no significant relationship with the level of productivity of academic staff in Colleges of Education in Benue State.

Table 2: Simple regression test of relationship between fuel subsidy removal and the level of productivity of academic staff in Colleges of Education in Benue State

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	58.25208	1.223035	47.62914	0.0000
COLA	-2.021435	0.512493	-3.944321	0.0001
EDLA	0.578002	0.395575	1.461170	0.1454
FSRP	-3.439696	0.369746	-9.302856	0.0000
MSAS	0.248903	0.340030	0.732005	0.4650
R-squared	0.355878			
Adjusted R-squared	0.344059			
F-statistic	30.11128	Durbin-Watson stat		1.946774
Prob(F-statistic)	0.000000			

Source: Computed by the Researcher, 2024 using E.view 10

The results in Table 2 indicated that educational level of academic staff (EDLA) and monthly salaries of academic staff (MSAS) have positive estimated coefficients of 0.578002 and 0.248903 in that order. This means that improvement in the educational level and monthly salaries of academic staff can lead to higher productivity of the academic staff. However, cost of living of academic staff (COLA) and fuel subsidy removal policy (FSRP) have negative coefficients of -2.021435 and -3.439696 accordingly. By implication, the higher the cost of living and fuel subsidy removal the lower will be the productivity of academic staff in the study area. Nevertheless, cost of living and fuel subsidy removal were statistically significant at 0.05 alpha level of significance while educational level and monthly salaries of the academic staff were insignificant.

The R-squared was 0.355878 meaning that about 36% variations in the productivity of the academic staff were explained by the independent variables included in the model whereas 64% constituted other factors responsible for the variations in the productivity but not included in the model which amounted to unexplained variations. The Durbin-Watson statistic value of 1.946774 was within the acceptable range of between 1.50 - 2.50 meaning that there was no serial correlation within the data. The F-statistic was 30.11128 with Prob (F-statistic) of 0.000000 which was significant at 5% level of significance. Then, the null hypothesis two was



rejected. By implication, fuel subsidy removal has a significant relationship with the level of productivity of academic staff in Colleges of Education in Benue State.

DISCUSSION AND IMPLICATION OF THE FINDINGS

The established that fuel subsidy removal has a significant relationship with the extent of cost of living of academic staff in Colleges of Education in Benue State. By implication, if the issue of the sudden rise in the price of fuel due to subsidy withdrawal is not addressed, it can create a serious burden to academic staff in respect of the cost of living. Thus, this finding corresponds with that of Suleiman (2023); Joy and Philip (2024); Nwachukwu and Tumba (2023); Uchechi, Ebere and Sheila (2024) that subsidy removal resulted in sudden increase in fuel prices, which increases costs of transportation and essential goods and services.

Furthermore, the study has proven that fuel subsidy removal has a significant relationship with the level of productivity of academic staff in Colleges of Education in Benue State. This implies that withdrawal of fuel subsidy has constituted a threat to the academic activities of the academic staff. This finding is in tandem with that of Danlami, Ibrahim and Abdulkadir (2023) that lecturers' condition deteriorated due to withdrawal of fuel subsidy. Joy and Philip (2024), Uchechi, Ebere and Sheila (2024) concluded that elimination of fuel subsidy has a negative effect on the productivity of academic staff.

CONCLUSION AND RECOMMENDATIONS

The study concluded that fuel subsidy removal has posed a great challenge to the academic staff concerning their effectiveness in performing their core responsibilities in Colleges of Education in Benue State. This is evident given that the fuel subsidy removal have multiplier effects on the cost of living in terms of high cost of fueling vehicles, food items, transportations, manufactured goods and medication or going to the hospital which have likelihood of creating financial pressures and stresses that may dampen the morale of the academic staff in performing their jobs.

The study recommended that the state government through the Ministry of Education should intervene in the followings ways:

- i. Cash transfer scheme should be put in place especially for academic staff so that at the end of the month the stipend will be paid to them apart from the monthly salaries in order to support them in fueling their cars and other needs.
- ii. Free medical care services for the academic staff and their family's members should be put in place since this can go a long way in reducing the burden of the cost of medication on the academic staff.
- iii. Transport vouchers and mass transit schemes should be embarked upon in the state particularly to reduce cost of transportation for the academic staff.



- iv. Subsidizing food items especially the staple food for the academic staff by the state government would be another great measure in bringing stability in their homes to cushion the effect of food inflation due to the fuel subsidy removal.

FUTURE RESEARCH

The future research should concentrate in the following areas:

- i. Effectiveness of financial incentives in reducing effect of removal of fuel subsidy on academic staff productivity
- ii. Effect of food subsidy in cushioning the impact of fuel subsidy withdrawal on academic staff.

REFERENCES

- Arikpo, E. B., Ulayi, A. I., Anipi, G. E. & Rose, A. O. (2024). High rate of inflation and adult workers' productivity in the southern senatorial district of Cross River State, Nigeria. *LWATI: A Journal of Contemporary Research*, 21(1), 33-56.
- Babagana, I. I. (2023). Assessment of the effect of petrol subsidy removal on consumer purchasing power in some selected local government areas of Borno State. *International Journal of Social Sciences and Humanities*, 11(6), 153 -169. DOI: 2726577411170
- Brown, K., & Johnson, R. (2019). Assessing the impact of workload and work-life balance on academic staff productivity: A case study of a tertiary institution. *International Journal of Educational Management*, 33(4), 589-605.
- Danlami, D., Ibrahim, N. & Abdulkadir, G. (2023). Subsidy removal and job performance of academic staff of Niger state college of education, Minna. *Lapai Journal of Management Science (LAJOMAS)*, 12(1&2), 228- 236.
- Damien, N., & Claire, M., M. (2022). Influence of teachers' preparedness on students' academic performance in public secondary schools in Rwanda. *Journal of Education*, 5(2), 53-71.
- Iortule, T. S. & Hiam, A. (2024). Comparative analysis of fuel subsidy removal on consumers spending in selected urban areas in Benue state. *Escoscope*, 2(9), 46-58.
- Imam, I. H. (2024). Socio-economic impact of subsidy removal on academic staff, students, and university administration in Nigeria. *International Journal on Economics, Finance and Sustainable Development (IJEFS)*, 6(1), 1-8. Retrieved from <https://journals.researchparks.org/index.php/IJEFS/index>
- Isaac-Philips M.M & Mohammed M.O.B. (2024). Factors influencing academic staff productivity in public tertiary institutions in Lagos state. *Educational Perspectives*, 12(3), 263-271.
- Jason, P. (2023). The happiness effect: How happy employees drive success. Retrieved from <https://www.linkedin.com/pulse/key-happy-employees-jason-politte>
- John, D., & Smith, A. (2020). Factors affecting academic staff productivity in higher education institutions. *Journal of Higher Education Management*, 15(2), 45-62.



- Joy A. M., & Philip, F. U. (2024). Effect of fuel subsidy removal on the job performance of lecturers in tertiary institutions in Rivers State. *British Journal of Education, Learning and Development Psychology*, 7(2), 97-109. DOI: 10.52589/BJELDPAS1TKLLA
- Keith, J. L. (2019). Policies and Initiatives for the Internationalization of Higher Education. DOI: 10.4018/978-1-5225-5231-4.ch003
- Lawal, A. O. & Mahmoud, U. (2024). Fuel subsidy removal and welfare of the working class in Nigeria: Policy options for the state. Retrieved from <https://doi.org/10.56556/jssms.v3i2.709>
- Mustapha, A. B. I. Suzanah, W. G., & Fatima, A. (2020). Teacher's conditions of service as correlate to teacher's productivity in Maiduguri metropolis' secondary schools, Borno State, Nigeria. *Journal of Contemporary Education Research*, 20(8), 64- 76.
- Nigerian Economic Submit Group (2023). Fuel subsidy reform in Nigeria: macroeconomic implications and policy options. A publication of the NESG non-residential fellowship programme. Retrieved from https://nesgroup.org/download_resource_documents/
- Nova Credit (2023). What is the cost of living in the united states? Retrieved from <https://www.novacredit.com/resources/what-is-the-cost-of-living-in-the-unitedstates>
- Nuhu, R. (2023). Comparative analysis of fuel subsidy removal and the diversification policies for agricultural development in Nigeria. *International Journal of Science, Engineering and Technology*, 11(5), 1-18.
- Nurhizrah, G. (2020). Analysis of factors affecting teachers' productivity. *Advances in Social Science, Education and Humanities Research*, 504(1), 395 – 399
- Nwachukwu, D. & Tumba, M. (2023). Price Unleashed: Examining the ripple effects of petroleum subsidy removal on consumer buying behaviour in Nigeria (Systematic Literature Review). *International Journal of Advanced Academic and Educational Research*, 13(7), 40 – 51. DOI: 2726145223711374
- Odili, O., Chukwuka, E. U., Paul, E. U. & Kingsley, O. O. (2022). Rethinking the determinants of labour productivity in Nigeria: A quest for labour efficiency and low cost per unit of output. *ANAN Journal of Contemporary Issues*, 3(3), 1-18.
- Oduwaiye, R. O. & Oyedepo, B. (2017). Enhancing Nigerian teachers' productivity through effective personnel appraisal system. *African Journal of Studies in Education*, 8(1 & 2), 1-11.
- OECD (2013). Analyzing energy subsidies in the countries of eastern Europe, Caucasus and central Asia. Retrieved from https://www.oecd.org/env/outreach/energy_subsidies.pdf
- Office for National Statistics (ONS) (2014). Consumer price indices technical manual. Edition. Newport, United Kingdom
- Ogunode, N. J. & Adamu, D. G. (2021). Shortage of academic staff in higher learning institutions in Nigeria. *Central Asian Journal of Social Sciences and History*, 2(3), 109-123
- Ogunode, N. J. & Aregbesola, B. G. (2023). Impact of subsidy removal on Nigerian educational system. *Middle European Scientific Bulletin*, 9(1), 1 – 13.
- Opeyemi, A., Philip, O. A., Oluseyi, O. A., Oluwasogo, S. A., & Ese, U. (2019). A Simulation of the removal of fuel subsidy and the performance of the agricultural sector in Nigeria using a dynamic computable general equilibrium approach. *Covenant Journal of Business & Social Sciences (CJBSS)*, 8(1), 60-70.
- Rusli, L., Nor, A. I. & Zakaria, B (2020). Cost of living and standard of living nexus: The determinants of cost of living. *Jurnal Ekonomi Malaysia*, 54(3), 1-15. Retrieved from <http://dx.doi.org/10.17576/JEM-2020-5403-01>



- Salvucci, J. (2022). What is the cost of living? Definition, examples and importance. *The Street Dictionary*
- Suleiman, M. M. (2023). Why poor consumer behavior may thwart subsidy removal. Retrieved from <https://dailytrust.com/why-poor-consumer-behaviour-may-thwart-subsidy-removal/>
- Tijani, A. A. & Abdullahi, N. J. K. (2021). Economic recession as a correlate of teacher productivity in Kwara state secondary schools, Nigeria. *Kashere Journal of Education (KJE)*, 2(1), 129-137.
- Tri, W. B., Sri, W., Naelati, T. & Azmi, F. (2022). Analysis of determinants of employee performance: A case study. *International Journal of Business and Social Science*, 2(2), 56-73.
- Uchechi, N. W., Ebere, S. W., Sheila, K. O. (2024). Evaluation of the effect of fuel subsidy removal on academic staff productivity in tertiary institutions in Rivers State. *African Journal of Economics and Sustainable Development* 7(4), 17-31. DOI:10.52589/AJESDM0BZM7UH
- University of Oxford (2024). Happy workers are 13% more productive. Retrieved from <https://www.ox.ac.uk/news/2019-10-24-happy-workers-are-13-more-productive>
- Yunusa, E., Yakubu, Y., Emeje, Y. A., Ibrahim, Y. B., Stephen, E., & Egbunu, D. A. (2023). Fuel subsidy removal and poverty in Nigeria: A literature review. *Int. J. Applied Management Science*, 04(09), 14-27.