



Perceptions of Fuel Subsidy Removal on Road Infrastructural Development in the Federal Capital Territory, Abuja

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Abstract

This study examines perceptions of fuel subsidy removal and its implications for road infrastructural development in the Federal Capital Territory (FCT), Abuja. Fuel subsidy removal has remained a contentious public policy in Nigeria, often justified on the grounds of freeing fiscal resources for development, particularly infrastructure. The study aims to assess public and stakeholder perceptions of subsidy removal and evaluate whether such perceptions align with observed outcomes in road infrastructure development within the FCT. The study is anchored on Resource Allocation Theory (RAT). This theory illustrates how limited resources such as money, labor, and capital are spread across different sectors to enhance utility and efficiency. A mixed-methods approach was adopted, combining a structured questionnaire administered to residents, transport operators, construction professionals and fuel retailers with key informant interviews of relevant government officials. Quantitative data were analyzed using descriptive and inferential statistics, while qualitative data were subjected to thematic analysis. Findings indicate that while a majority of respondents acknowledge the theoretical potential of subsidy removal to improve road infrastructure through increased government revenue, there is widespread skepticism regarding transparency, accountability, and equitable utilization of savings. Perceptions of marginal improvements in road networks exist, but these are often considered inadequate relative to the economic hardship induced by higher fuel prices. The study concludes that negative public perceptions are largely driven by governance and implementation deficits rather than the policy itself. It recommends enhanced fiscal transparency, earmarking of subsidy savings for visible road projects, and sustained public engagement to rebuild trust and improve policy acceptance.

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Keywords

Fuel Subsidy Removal, Road Infrastructural Development, Federal Capital Territory

Introduction

The removal of fuel subsidies in Nigeria constitutes a landmark economic policy reform that has generated extensive debate due to its fiscal, social, and developmental implications, particularly for infrastructure development. Historically introduced during the oil boom of the 1970s to stabilize domestic fuel prices and shield citizens from global oil price volatility, the subsidy regime increasingly became fiscally burdensome and developmentally inefficient, with limited contribution to equitable economic growth (Ovaga & Okechukwu, 2022). Although fuel subsidies were intended to enhance affordability and protect vulnerable populations, empirical evidence suggests that they disproportionately benefited higher-income households, encouraged inefficient fuel consumption, and facilitated cross-border smuggling, thereby diverting substantial public resources away from critical sectors such as transportation infrastructure, healthcare, and education (Ozili & Ozen, 2021; Couharde & Mouhoud, 2020).

Over the decades, the rising cost of subsidy payments placed persistent pressure on public finances, and repeated attempts at reform were met with strong public resistance driven by fears of inflation, increased transportation costs, and declining living standards (Ogbu, 2023). Despite these challenges, the Federal Government formally removed fuel subsidies in June 2023, justifying the decision as a necessary step to reduce fiscal leakages and reallocate resources toward priority development objectives, particularly



infrastructure development (Federal Ministry of Finance, 2023). Globally, similar concerns about the opportunity costs of fossil fuel subsidies reinforce this rationale, as global subsidy expenditures reached approximately \$1 trillion in 2022, far exceeding global development assistance and highlighting the potential of subsidy reform to unlock resources for capital investment in infrastructure-deficient economies (IEA, 2023).

Nevertheless, beyond macroeconomic justifications, public perception remains critical to the legitimacy and sustainability of subsidy removal policies. Within this context, the Federal Capital Territory (FCT), Abuja, provides a strategic case for examining whether citizens perceive that savings from subsidy removal have translated into tangible improvements in road infrastructure, given its central role in national planning and infrastructure allocation. Accordingly, this study examines stakeholder perceptions of fuel subsidy removal and its implications for road infrastructural development in the FCT, Abuja, with the aim of contributing to policy discourse on subsidy reform, public accountability, and infrastructure financing in Nigeria.

Statement of the Problem

The removal of fuel subsidies in Nigeria represents a significant public policy shift with profound socioeconomic and developmental implications. Originally instituted to cushion citizens against fluctuations in global oil prices, fuel subsidies gradually became fiscally unsustainable, consuming a substantial share of national resources while yielding limited equitable welfare benefits (Ozili & Obiora, 2023). By 2022, subsidy expenditures reportedly exceeded \$6 billion, thereby constraining government capacity to invest adequately in critical sectors such as infrastructure. In response, the Federal Government announced the removal of fuel subsidies in June 2023, framing the policy as a necessary measure to restore fiscal balance and reallocate savings toward development priorities, particularly infrastructure.

Despite this policy rationale, the subsidy removal has generated considerable public controversy. In the Federal Capital Territory (FCT), Abuja, residents experienced immediate increases in transportation costs, food prices, and overall living expenses, intensifying skepticism about the government's commitment and capacity to translate subsidy savings into tangible developmental outcomes. The perceived absence of visible improvements in public infrastructure, especially road networks, has deepened concerns about transparency, accountability, and the actual utilization of reallocated funds.

Existing empirical and theoretical studies on fuel subsidy removal in Nigeria have predominantly emphasized macroeconomic outcomes such as inflation, poverty dynamics, labor market effects, and political economy considerations (Okonjo-Iweala, 2018; Adegbite et al., 2023; Eze, 2024). However, there remains a significant gap in the literature regarding micro-level and perception-based analyses, particularly those examining how citizens evaluate the developmental impacts of subsidy removal. Notably, limited scholarly attention has been paid to public perceptions of road infrastructural development in the FCT, despite Abuja's strategic role as Nigeria's administrative and economic hub. The fundamental issue underpinning this study is the divergence between the governments's declared intention to reallocate



savings from fuel subsidy removal toward infrastructural development and the widespread perception among the public that tangible investments, particularly in road infrastructure remain limited or absent. This study is poised to provide answers to the following questions:

How has the removal of fuel subsidy been perceived to influence the quality of road infrastructural development in the Federal Capital Territory, Abuja?

What factors are perceived to hinder the effective utilization of funds generated from fuel subsidy removal for road infrastructural development in the Federal Capital Territory, Abuja?

Objectives of the study

To examine how has the removal of fuel subsidy been perceived to influence the quality of road infrastructural development in the Federal Capital Territory, Abuja.

To identify the factors that hinder the effective utilization of funds generated from fuel subsidy removal for road infrastructural development in the Federal Capital Territory, Abuja.

Literature Review

Conceptual definitions

Okwanya, Ogbu & Pristine (2020) opined that subsidy is a form of government policy intervention that depresses the consumer price of essential goods below market equilibrium, thereby improving access for lower income groups. This viewpoint focuses mainly on price control as the key way to enhance economic welfare. Yet, the discussion fails to adequately consider the wider institutional, structural, and socio-economic factors like income redistribution policies, job creation tactics, and social protection systems that are also vital in reducing poverty and enhancing access to necessary goods and services. This conceptual shortcoming leaves a void about how non-price-based measures, such as fiscal policies, infrastructure development, and capacity-building initiatives, help in reaching fair economic results for at-risk groups. Therefore, a detailed investigation of these other policy tools is still lacking in the current literature.

Further, Agu, Ekwutosi & Augustine (2022) posits that subsidy constitutes governmental market interference, whereby officials fix consumer prices below procurement costs and reimburse suppliers for the difference. However, this idea fails to adequately consider the wider social, political, and organizational aspects that affect how subsidy policies are created, executed, and how well they work. Specifically, the research neglects the importance of governance quality, political accountability, corruption, and stakeholder involvement, which are vital factors in determining if subsidies meet their desired developmental goals or lead to unexpected problems like market inefficiencies, elite capture, or financial strain. This neglect leaves a considerable gap in research concerning the institutional and political economic factors that influence the effects of subsidies beyond their immediate financial impacts.



Fuel subsidy removal refers to the deliberate withdrawal of government financial support that artificially suppresses the retail price of petroleum products, allowing prices to reflect market dynamics (Akinleye & Ekpo, 2020). Conceptually, it represents a fiscal and structural reform aimed at correcting economic distortions, improving public finance management, and reallocating limited government resources toward productive sectors such as infrastructure development (Olayemi, 2021). In Nigeria, subsidy removal is framed as a strategy to enhance fiscal sustainability, reduce recurrent expenditure, and promote long-term economic efficiency (Uche & Ogbong, 2022). By eliminating subsidies, governments theoretically increase fiscal space, enabling the redirection of funds to critical capital projects, including the construction, rehabilitation, and maintenance of road networks, an essential component of urban mobility, economic productivity, and development in rapidly expanding areas such as the Federal Capital Territory (FCT), Abuja (Akinleye & Ekpo, 2020; Olayemi, 2021).

However, public perception of subsidy removal is strongly influenced by its immediate socioeconomic effects, particularly the rise in fuel prices and the associated inflationary impact on transportation and goods (Uche & Ogbong, 2022). These effects disproportionately affect low- and middle-income groups, shaping opinions about the policy's fairness and effectiveness (Akinleye & Ekpo, 2020). In Abuja, citizen support for subsidy removal is closely tied to observable improvements in road infrastructure, with positive perceptions arising when increased fuel costs are matched by visible investments that enhance commuting efficiency, reduce travel time, and improve safety (Uche & Ogbong, 2022). Conversely, the absence of tangible infrastructural gains can foster skepticism regarding government accountability and resource utilization (Olayemi, 2021). Thus, the conceptual framework of fuel subsidy removal integrates both fiscal reform objectives and socio-political considerations, highlighting that its success in promoting road infrastructural development depends on effective governance, transparent resource allocation, and the public's perception of tangible developmental outcomes (Akinleye & Ekpo, 2020; Uche & Ogbong, 2022).

Infrastructural development refers to the creation, maintenance, and effective management of both physical ("hard") and institutional or digital ("soft") structures that enable societal and economic activities (World Bank, 2020; Eboh, 2022). Traditionally, infrastructure included roads, bridges, power supply, water systems, healthcare facilities, and schools, but modern perspectives extend this to encompass governance frameworks, legal institutions, digital connectivity, and human capital development (Adebayo & Akinyemi, 2021). In developing countries such as Nigeria, infrastructure plays a critical role in stimulating economic growth, enhancing productivity, supporting urban expansion, and improving citizens' living standards. In the context of road infrastructure, development should be understood as a holistic and integrated process that extends beyond mere construction or expansion of roads. It encompasses planning, financing, construction, rehabilitation, governance, and maintenance of road networks to ensure durability, accessibility, safety, and socio-economic utility over time (Eboh, 2022). The effectiveness of road infrastructure depends not only on its physical presence but also on the institutional and operational frameworks that govern its use and preservation. This broader conceptualization highlights that sustainable



infrastructural development in Nigeria, and specifically in urban centers such as the Federal Capital Territory (FCT), Abuja, requires a combination of adequate financing, strategic planning, technical expertise, and transparent governance to maximize its impact on socio-economic growth and public welfare (Adebayo & Akinyemi, 2021).

Empirical Review of Related Literature

In light of the fuel subsidy removal, a number of empirical studies have been carried out to analyse 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. At the macroeconomic level, research has established that fuel price volatility especially in Premium Motor Spirit (PMS) is a major driver of inflation, underscoring the need for strategic reinvestment of subsidy savings to stabilize energy supply and prices (Ozigbu & Ezekwe, 2025). Studies focusing specifically on Abuja further reveal that while subsidy removal has expanded fiscal space and increased public capital expenditure, the expected improvements in urban and road infrastructural development have been constrained by bureaucratic inefficiencies, governance challenges, and uneven allocation of resources across the metropolis (Yusuf & Ibrahim, 2021; Eze & Musa, 2023). Collectively, these studies suggest that although fuel subsidy removal holds potential for enhancing road infrastructural development in the FCT, its effectiveness largely depends on transparent fund reallocation, efficient institutional frameworks, and equitable distribution of infrastructure investments factors that also shape public perceptions of the reform and its developmental outcomes.

Theoretical Framework

This paper adopted Resource Allocation Theory (RAT). This theory illustrates how limited resources such as money, labor, and capital are spread across different sectors to enhance utility and efficiency. Paul Samuelson (1948) is a prominent figure in this theory, which created a fundamental economic model that emphasizes the best way to distribute resources for economic well-being. The theory suggests that resource allocation works best when there are clear priorities, few distortions (like subsidies), and logical planning methods. This theory indicates that Resources are limited and need to be utilized efficiently; Market signals (such as prices) are the most effective indicators of resource distribution. Government actions (like subsidies) might skew the ideal allocation of resources. Resources should be shifted to areas that provide the highest returns or societal benefits such as infrastructure, education, or healthcare.

The theoretical framework under consideration is critically relevant for understanding the transformation



objectives pursued within the Federal Capital Territory (FCT) during the specified period. Contemporary federal policy instruments most notably the National Development Plan (NDP) 2021-2025 explicitly identify infrastructure development as a foundational catalyst for achieving inclusive economic growth and promoting social equity. In this context, the removal of long-standing fiscal burdens, such as the fuel subsidy, is strategically positioned as a means to reallocate public expenditure toward more productive sectors. This reallocation aligns with national policy objectives articulated in the National Development Plan (2021-2025), which prioritizes infrastructure as a driver of inclusive growth and social equity. Consequently, public perceptions of fuel subsidy removal in Abuja are closely linked to expectations of improved road infrastructure, reflecting the broader belief that reallocating scarce resources toward productive investments can foster equitable and sustainable urban development.

Methodology

The study adopted a mixed research design. The mixed research design used in this study involves the analysis of quantitative data obtained from questionnaires and qualitative data derived from literature, reports, time series, and other written sources. The rationale for using a mixed research design is to obtain in-depth information from relevant sources.

The population of the Federal Capital Territory (FCT), according to the National Bureau of Statistics (NBS, 2025), is 3,070,038, comprising Abaji (127,921), Abuja Municipal Area Council (AMAC) (1,693,394), Bwari (500,467), Gwagwalada (346,675), Kuje (212,674), and Kwali (188,907). Included within this population are staff of 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 FCT, Abuja.

The sample size representative of the target population in this study is 400. It is determined using Taro Yamane formula:

Where N = population e = level of significance. This is a constant figure of 0.05

In applying the formula to determine the sample size, this process is followed:

$$n = 399.9999 \quad n = 400 \text{ (sample size)}$$

The study employed both primary and secondary methods of data collection. The primary data were obtained through the use of questionnaires and interviews, while secondary data were sourced from relevant documents. Of the 400 respondents selected for the study, 393 were administered questionnaires, while interviews were conducted with 7 respondents. The secondary data comprised reports on perceptions of fuel subsidy removal and its impact on road infrastructural development in the Federal Capital Territory (FCT), Abuja. Data analysis was carried out using simple percentages and tables for the quantitative data, while content analysis was employed for the qualitative and secondary data. The adoption of these analytical tools enabled the researcher to obtain objective and comprehensive information on the subject

matter. Information generated from secondary sources was analyzed using textual and content analytical techniques.

Data Presentation and Analysis of Results

This section presents the analysis of responses obtained from the questionnaires distributed and the interviews conducted with the respondents.

Table 1.1 Showing Number of Questionnaire Distributed

S/N	Name of Area Council	Population	%Percentage	Questionnaire distributed	Questionnaire returned	Questionnaire not Returned
1	Abaji	127,921	4.17%	17	16	1
2	Abuja Municipal Area Council	1,693,394	55.16%	221	217	4
3	Bwari	500,467	16.30%	65	64	1
4	Gwagwalada	346,675	11.29%	45	44	1
5	Kuje	212,674	6.93%	28	28	0
6	Kwali	188,907	6.15%	24	24	0
Total	400	393	7			

Source: Field Survey, October, 2025

Table 1.1 presents the distribution and return rate of questionnaires across the six Area Councils of the Federal Capital Territory (FCT), Abuja, in relation to the study on perceptions of fuel subsidy removal and its implications for road infrastructural development. Abuja Municipal Area Council (AMAC), which accounts for the largest proportion of the FCT population (55.16%), received the highest number of questionnaires (221). Out of this number, 217 questionnaires were returned, while 4 were not returned. Bwari Area Council, with 16.30% of the total population, was allocated 65 questionnaires, of which 64 were returned. Similarly, Gwagwalada Area Council, representing 11.29% of the population, received 45 questionnaires, with 44 successfully returned. Abaji, Kuje, and Kwali Area Councils, which collectively constitute a smaller proportion of the FCT population, were allocated 17, 28, and 24 questionnaires respectively. The return rates in these councils were equally encouraging, with Abaji recording 16 returns out of 17, while Kuje and Kwali achieved complete returns of all questionnaires distributed. This indicates effective coverage of both urban and semi-rural perceptions within the FCT. Overall, out of the 400 questionnaires distributed across the six Area Councils, 393 were returned, representing a response rate of 98.25%, while only 7 questionnaires (1.75%) were not returned. This exceptionally high response rate enhances the reliability of the data and provides a strong empirical foundation for analyzing public perceptions of fuel subsidy removal and its impact on road infrastructural development in the Federal

Capital Territory, Abuja.

Table 1.2 Respondent's perceptions on quality road infrastructural development in the Federal Capital Territory, Abuja.

S/N	Statement	Response	Frequency	Percentage
1	Roads constructed or rehabilitated in the Federal Capital Territory since the removal of fuel subsidy are of higher quality and durability.	Strongly Agree	118	30.03%
		Agree	107	27.23%
		Strongly Disagree	87	22.14%
		Disagree	77	19.59%
		Undecided	4	1.02%
		Total	393	100%
2	There has been noticeable improvement in the maintenance of existing roads in the Federal Capital Territory following the removal of fuel subsidy.	Strongly Agree	108	27.48%
		Agree	102	25.95%
		Strongly Disagree	92	23.41%
		Disagree	85	21.63%
		Undecided	6	1.53%
		Total	393	100%
3	The removal of fuel subsidy has contributed to the expansion and upgrading of road networks across the Federal Capital Territory.	Strongly Agree	103	26.21%
		Agree	131	33.33%
		Strongly Disagree	84	21.37%
		Disagree	73	18.58%
		Undecided	2	0.51%
		Total	393	100%
4	The condition of roads in the Federal Capital Territory has improved as a result of resources made available through fuel subsidy removal.	Strongly Agree	136	34.61%
		Agree	92	23.41%
		Strongly Disagree	72	18.32%
		Disagree	88	22.39%



	Undecided	5	1.27%
	Total	393	100%

Source: Field Survey, October, 2025

Table 1.2 presents respondents' perceptions regarding the quality of road infrastructural development in the Federal Capital Territory (FCT), Abuja, following the removal of fuel subsidy. For Statement 1, which assessed whether roads constructed or rehabilitated since the removal of fuel subsidy are of higher quality and durability, 30.03% of respondents strongly agreed while 27.23% agreed, giving a combined positive response of 57.26%. In contrast, 22.14% strongly disagreed and 19.59% disagreed, representing a combined negative response of 41.73%, while only 1.02% were undecided. This suggests that although a majority of respondents perceive an improvement in the quality and durability of roads, a substantial proportion remain unconvinced, indicating mixed perceptions among road users in the FCT. Regarding Statement 2, which examined improvements in the maintenance of existing roads, 27.48% of respondents strongly agreed and 25.95% agreed, amounting to 53.43% positive responses. However, 23.41% strongly disagreed and 21.63% disagreed, totaling 45.04% negative responses, with 1.53% undecided. Statement 3 focused on whether fuel subsidy removal has contributed to the expansion and upgrading of road networks. The results show that 26.21% strongly agreed and 33.33% agreed, yielding a combined positive perception of 59.54%. Conversely, 21.37% strongly disagreed and 18.58% disagreed (39.95%), while 0.51% were undecided. For Statement 4, which assessed the overall condition of roads as a result of resources made available through fuel subsidy removal, 34.61% of respondents strongly agreed and 23.41% agreed, representing a combined positive response of 58.02%. On the other hand, 18.32% strongly disagreed and 22.39% disagreed (40.71%), with 1.27% undecided. This suggests that more than half of the respondents perceive an overall improvement in road conditions, although a significant minority hold contrary views. These findings are consistent with the interview conducted with John Alex, a transport operator in Kuje, on 17th October 2025. He narrated that since the removal of the fuel subsidy, transport fares have risen, but later he noticed improvements in the construction and maintenance of existing roads in the Area Council of FCT, Abuja. This observation aligns with broader trends in urban transport economics, suggesting that policy shifts, such as subsidy removal, can have immediate cost implications for commuters, while potentially enabling longer-term infrastructural benefits through improved road maintenance and development. The above finding is also supported by the work of Eboh (2022), who opined that the removal of fuel subsidies can free up substantial government financial resources that would otherwise be expended on subsidizing petroleum products. According to economic analyses of Nigeria's subsidy reforms, the funds previously allocated to subsidy payments could be redirected toward the provision of critical public infrastructure, including road construction and maintenance. This perspective underscores the potential of subsidy reforms to enhance infrastructural development, highlighting the critical link between fiscal policy adjustments and the improvement of urban transportation networks. It further suggests that strategic

reallocation of resources can facilitate sustainable development objectives, particularly in rapidly urbanizing contexts such as Abuja.

Table 1.3 Factors hindering effective utilization of funds generated from fuel subsidy removal for road infrastructural development in the Federal Capital Territory, Abuja

S/N	Statement	Response	Frequ	Percentage
1	Lack of transparency and accountability in the management of funds generated from fuel subsidy removal hinders effective road infrastructural development in the Federal Capital Territory.	Strongly Agree	111	28.24%
		Agree	122	31.04%
		Strongly Disagree	84	21.37%
		Disagree	72	18.32%
		Undecided	4	1.02%
		Total	393	100%
2	Weak policy implementation and poor coordination among relevant agencies hinder the effective use of fuel subsidy removal funds for road infrastructure development.	Strongly Agree	84	21.37%
		Agree	91	23.16%
		Strongly Disagree	105	26.72%
		Disagree	108	27.48%
		Undecided	5	1.27%
		Total	393	100%
3	Inadequate technical and administrative capacity of relevant institutions affects the efficient utilization of funds for road infrastructural projects in the Federal Capital Territory.	Strongly Agree	109	27.73%
		Agree	133	33.84%
		Strongly Disagree	100	25.45%
		Disagree	51	12.98%
		Undecided	0	0.0%
		Total	393	100%
4	Political interference in the planning and execution of road projects undermines the effective utilization of funds generated from fuel subsidy removal.	Strongly Agree	99	25.19%
		Agree	125	31.81%
		Strongly Disagree	86	21.88%



	Disagree	81	20.61%
	Undecided	2	0.51%
	Total	393	100%

Source: Field Survey, October, 2025

Table 1.3 presents respondents' opinions on the key factors hindering the effective utilization of funds generated from fuel subsidy removal for road infrastructural development in the Federal Capital Territory (FCT), Abuja. With respect to Statement 1, which examined the role of transparency and accountability in fund management, 28.24% of respondents strongly agreed and 31.04% agreed that lack of transparency and accountability hinders effective road infrastructural development. This yields a combined agreement of 59.28%. Conversely, 21.37% strongly disagreed and 18.32% disagreed, amounting to 39.69%, while 1.02% were undecided. The predominance of agreement suggests that respondents largely perceive poor transparency and weak accountability mechanisms as major impediments to the effective use of funds derived from fuel subsidy removal. Statement 2 assessed whether weak policy implementation and poor inter-agency coordination hinder the effective utilization of subsidy removal funds. The results indicate that 21.37% of respondents strongly agreed and 23.16% agreed (44.53%), while a higher proportion 26.72% strongly disagreed and 27.48% disagreed, representing 54.20%, expressed disagreement. Only 1.27% were undecided. This pattern suggests that, unlike transparency issues, respondents are more divided on the extent to which policy implementation and coordination problems constitute significant barriers, with a slight majority perceiving them as less critical impediments. For Statement 3, which focused on the technical and administrative capacity of relevant institutions, 27.73% of respondents strongly agreed and 33.84% agreed, giving a combined agreement of 61.57%. In contrast, 25.45% strongly disagreed and 12.98% disagreed (38.43%), while no respondent was undecided. Regarding Statement 4, which examined political interference in the planning and execution of road projects, 25.19% of respondents strongly agreed and 31.81% agreed, resulting in a combined agreement of 57.00%. On the other hand, 21.88% strongly disagreed and 20.61% disagreed (42.49%), with 0.51% undecided. These findings suggest that political interference is widely perceived as a substantial factor undermining the effective utilization of funds generated from fuel subsidy removal. This outcome aligns with the study by Uche and Ogbong (2022), which established that political interference in the planning and execution of economic policies significantly undermines the effective utilization of public funds for infrastructural development. In the context of fuel subsidy removal, such interference weakens accountability and diverts resources away from intended development outcomes. Further reinforcing these findings, Shekwoga Aliyu, a community mobilizer in the Abuja Municipal Area Council (AMAC), noted during an interview conducted on 23rd October, 2025 that political interests have adversely affected the utilization of funds generated from fuel subsidy removal in the Federal Capital Territory (FCT), Abuja. According to him, the government would have achieved better outcomes if it had adhered strictly to the policy rationale underpinning the subsidy



removal. However, he lamented that political considerations continue to override development priorities, citing the prolonged abandonment of road construction projects within the FCT as evidence of how political interference has stalled infrastructure development despite the availability of funds.

Discussion of findings

- i. First and foremost, the findings indicate that respondents generally perceive the removal of fuel subsidy as having contributed positively to the quality of road infrastructural development in the Federal Capital Territory, Abuja. A majority of respondents acknowledged improvements in road quality and durability, maintenance of existing roads, expansion and upgrading of road networks, and overall road conditions, with the strongest perceptions recorded for network expansion and general road condition. Nonetheless, the substantial proportion of dissenting views suggests that these improvements are not uniformly experienced across the FCT. This disparity points to uneven distribution of infrastructural benefits and possible inconsistencies in project execution and maintenance, underscoring the challenges of translating fiscal policy reforms into equitable and sustainable infrastructural outcomes.
- ii. Secondly, the study further reveals that governance and institutional constraints significantly hinder the effective utilization of funds generated from fuel subsidy removal for road infrastructural development in the Federal Capital Territory. Respondents predominantly identified lack of transparency and accountability, inadequate technical and administrative capacity, and political interference as major impediments to efficient fund utilization, suggesting that systemic weaknesses within public sector institutions undermine the effective deployment of available resources. In contrast, opinions on weak policy implementation and inter-agency coordination were more divided, indicating that respondents perceive governance practices and institutional effectiveness, rather than policy formulation alone, as the primary challenges. Overall, the results emphasize that achieving the intended infrastructural benefits of fuel subsidy removal depends critically on strengthening accountability mechanisms, institutional capacity, and reducing political interference in infrastructure delivery.

Conclusion

This study examined perceptions of fuel subsidy removal and its implications for road infrastructural development in the Federal Capital Territory, Abuja, and found that the policy is generally perceived as having contributed positively to improvements in road quality, expansion, and overall condition. However, the findings also reveal notable disparities in the distribution and consistency of these infrastructural benefits, reflecting challenges in translating fiscal policy reforms into equitable and sustainable development outcomes. Furthermore, persistent governance and institutional constraints particularly issues of transparency, accountability, capacity limitations, and political interference continue to undermine the effective utilization of resources generated from subsidy removal. Overall, the study underscores that while fuel subsidy removal holds significant potential for enhancing road infrastructure in the FCT, realizing its



full benefits depends critically on strengthening institutional frameworks, improving governance practices, and ensuring equitable and efficient implementation of infrastructural investments.

Recommendations

- i. In light of the perceived improvements in road infrastructure alongside evidence of uneven benefits across the Federal Capital Territory, it is recommended that road infrastructural development be guided by an institutionalized, data-driven planning framework. Such a framework should ensure equitable distribution of projects across all area councils and districts, while emphasizing consistency in project execution and maintenance. Incorporating standardized road condition assessments, routine maintenance schedules, and long-term sustainability considerations would enhance the translation of fuel subsidy removal into balanced and durable infrastructural outcomes.
- ii. Given the significant governance and institutional constraints identified, it is recommended that robust accountability and transparency mechanisms be strengthened in the management of funds derived from fuel subsidy removal. This should include enhanced public financial management systems, independent oversight of infrastructure projects, and capacity-building initiatives for relevant ministries and agencies. Additionally, minimizing political interference through clear regulatory frameworks and merit-based decision-making processes would improve efficiency in fund utilization and ensure that infrastructural investments align with development priorities.

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