EDUCATION AND ECONOMICS REFORM OF SUBSIDY REMOVAL IN NIGERIA: SOCIOLOGICAL IMPLICATION FOR SUSTAINABLE EDUCATION DEVELOPMENT

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Abstract

This paper explores the educational and economic reforms related to fuel subsidy removal in Nigeria, with a specific focus on the sociological implications for sustainable educational development. The study employs quantitative methods to analyze data from a variety of sources, including government reports, academic articles, and surveys. The findings reveal that the potential gains of subsidy removal for Nigerian education include increased government revenue for investment, improved infrastructure, enhanced teacher welfare and capacity building, the promotion of equity, and support for Sustainable Development Goals (SDGs). Conversely, the identified "pains" of the policy include the rising cost of schooling, increased dropout rates, reduced funding for private households and students, welfare challenges for teachers and students, and widening inequality in educational access. Based on these findings, the paper suggests that a specific percentage of the revenue saved from subsidy removal should be legally committed to funding education, particularly in infrastructure, research, and teacher training. Furthermore, the government should cushion the impact of rising costs by expanding school feeding programs, providing scholarships, and distributing free textbooks to vulnerable students. To counter the effects of inflation on welfare, salaries and allowances should be reviewed alongside the implementation of continuous professional development programs to enhance teaching quality.

Keyword: Education, Economics Reform, Subsidy Removal, Sociological Implications
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Introduction

Education and economic policies are deeply interconnected, as a nation’s economic landscape often dictates the level of investment, accessibility, and sustainability of its educational system. In Nigeria, the recent removal of the fuel subsidy—one of the most significant economic reforms in recent history—has triggered widespread socio-economic changes with direct and indirect implications for education. While the removal was intended to curb fiscal deficits, promote stability, and redirect resources toward critical sectors, it has simultaneously caused a surge in inflation, higher transportation costs, and an increased cost of living for households. These shifts inevitably impact educational affordability, school enrollment, retention, and the overall sustainability of educational development. From a sociological perspective, this reform raises vital questions regarding equity, access, and the social contract between the government and its citizens. Low-income families are disproportionately burdened, which widens educational inequalities. Teachers, students, and institutions face new challenges in sustaining quality learning under rising economic pressures. However, if managed properly, the savings from the subsidy could serve as a springboard for increased investment in infrastructure, digital learning, teacher training, and policy innovations that promote inclusive education. This study explores these reforms with a focus on their sociological implications.

Clarification of Terms

Concept of Education

Education focuses on the development of the "total man" or the "whole man". This implies an act of training that encompasses the cognitive (knowledge), affective (feelings, attitude, and behavior), and psychomotor domains. It deals with the all-round development of a person, molding them into a well-educated, cultured, disciplined, employable, and productive individual. Education leads and directs the learner toward the acquisition of desirable knowledge and healthy behaviors. Scholars have conceptualized education in various ways: as the light that dispels the darkness of ignorance, as the cornerstone for sustainable growth in arts, science, and technology and as an organized instruction designed to communicate knowledge and values for all life activities.

Plato defined education as training given by suitable habits to the instincts of virtue in children. Osokoya, as cited in Shofolabo (2014), defined it as the "leading out" of the inborn powers and potentialities of individuals to acquire skills necessary for self-reliance. Education serves as a tool for problem-solving, comfort, and all-round development. It is a formidable tool for survival that demands effort and discipline. When a society progresses through innovation and rational thinking, education becomes the primary instrument for achieving national development. Froebel, cited in Peerzada (2016), described education as the unfolding of what is already enfolded in man. This implies a process of training innate potentials so they can be expressed externally. Ultimately, education is an enlightening experience that empowers individuals to make informed decisions and contribute constructively to society. Sarkinfada (2023) defines it as a process that transfers knowledge, skills, and character traits to empower the individual socially and economically. It is an organized learning process that facilitates personal, community, and national development.

Concept of Economic Reform

Economic reform refers to the process of implementing changes to a country's economic system to increase efficiency, promote growth, and enhance citizen well-being. Common areas of reform include tax, trade, monetary policies, and regulatory systems. The success of these reforms significantly impacts economic stability and the standard of living. Strategies often include privatization, deregulation, and legislative changes. Goals vary by context; for instance, developing countries may focus on foreign investment and infrastructure, while developed countries may prioritize reducing government intervention. A key aspect is the impact on stakeholders, where some may benefit from increased competition while others face negative effects like job loss.

Concept of Subsidy

A subsidy is a policy adopted by governments or institutions to reduce the price of goods for firms or individuals by paying part of the production cost. In economic theory, subsidies are used to offset market failures and externalities to achieve efficiency. According to Project Clue (2023), a subsidy decreases market prices so those with limited purchasing power can obtain essential goods. It is any measure that keeps prices below market levels for consumers or above market levels for producers. Subsidies can be direct (grants, tax exemptions) or indirect (regulations, government-sponsored research).

Gains of Subsidy Removal

Increased Government Revenue for Educational Investment: Fuel subsidies previously consumed a massive portion of the national budget. Removing them saves trillions of naira annually, which can be redirected toward building schools, providing teaching aids, and improving infrastructure. This policy change has already allowed for larger budget allocations toward education, potentially leading to better quality and access for citizens. It also encourages private investment, contributing to a more skilled workforce and a boosted economy.

Improved Educational Infrastructure: Redirecting savings can lead to modern classrooms, libraries, laboratories, and digital facilities. A well-resourced environment enhances academic performance and makes Nigerian schools globally competitive. Increased funding allows for the construction of new schools and better access to textbooks and technology. It also prompts more efficient management, including improved teacher training and curriculum development.

Enhanced Teacher Welfare and Capacity Building: With more funds available, the government can prioritize teacher welfare through increased salaries and training opportunities. Motivated teachers reduce absenteeism and foster engaging learning environments. Studies show that subsidy removal has the potential to improve working conditions, career growth, and the implementation of new teaching technologies.

Promotion of Equity in Education: Historically, the subsidy system mainly benefited the wealthy who consumed more fuel. Redirecting these funds can ensure children from disadvantaged backgrounds have access to scholarships, feeding programs, and free materials. Increased funding allows for a more equal distribution of resources, making private institutions more affordable for lower-income families.

Support for Sustainable Development Goals (SDGs): Managing subsidy removal strategically aligns with SDG 4 (Quality Education) by creating fiscal space for inclusive education. This enhances literacy rates and strengthens human capital development. Proponents argue that despite short-term concerns for low-income populations, the policy leads to a more competitive and sustainable economy while providing funds for healthcare and infrastructure.

Pains of Subsidy Removal

According to Akanbi (2023) and Burtler et al. (2022), there are five major negative implications for education:

Rising Cost of Schooling: Higher transportation and living costs make education more expensive. Rising costs for fees, uniforms, and books force some parents to withdraw children from school. Subsidy removal has also increased the cost of running schools, affecting the internal coordination of resources and programs.
Increased School Dropout Rates: As household incomes are stretched by the costs of food and transport, education becomes less affordable. Children from poor backgrounds are more likely to drop out or engage in child labor, widening the literacy gap.
Reduced Funding for Private Households and Students: Even as the government gains revenue, households directly feel the burden of price hikes. Families previously using private schools may be forced to move children to overcrowded public institutions.
Teacher and Student Welfare Challenges: Stagnant salaries amidst high inflation reduce teacher morale and lead to absenteeism as they seek alternative income. Students struggle with increased stress, malnutrition, and an inability to afford study materials.
Widening Inequality in Educational Access: Wealthy families can still afford quality education, while the poor cannot, deepening the educational divide and undermining social justice. This risks creating a society where only the privileged have access to quality learning.
Sociological Implications of Subsidy Removal on Education in Nigeria
Social Stratification and Inequality: The reform has deepened the gap between the rich and poor, reinforcing unequal access to education and sustaining cycles of poverty.
Access and Equity in Education: Education's role as a "social leveler" is threatened as students from marginalized communities face a higher risk of exclusion.
Impact on Social Institutions (Family and School): Families face difficult choices, such as pulling children from school or reducing spending on health. Schools face pressure from rising public enrollments, leading to overcrowding and declining quality.
Social Mobility and Human Capital Formation: When rising costs limit access for low-income families, the primary pathway for upward mobility in Nigeria is obstructed, weakening the nation's human capital.
Public Trust and the Social Contract: If citizens do not see visible improvements in schools, distrust in the government grows, eroding the "social contract" and potentially fueling social unrest.
Cultural Adaptations and Coping Mechanisms: Communities have adapted by relying more on extended family, religious organizations, and community-based learning. These highlight the fragility of state-led support.

Conclusion and Recommendations

The removal of the fuel subsidy is a significant economic reform with far-reaching consequences. While it can free up revenue for infrastructure and welfare, its immediate effects—rising costs, dropouts, and inequality—pose serious challenges.

Sociologically, it has deepened stratification and strained the social contract. Education is central to national growth and cannot be insulated from these ripple effects.

The paper recommends the following:

1. **Earmark Subsidy Savings for Education:** Legally commit a clear percentage of savings to infrastructure, research, and teacher training.
2. **Introduce Targeted Educational Subsidies:** Expand school feeding programs, scholarships, and free materials for vulnerable students.
3. **Strengthen Public Education:** Invest urgently in classrooms and digital platforms to prevent overcrowding as public enrollment rises.
4. **Support Teachers and Workers:** Review salaries and allowances to counter inflation and provide continuous professional development.
5. **Promote Inclusive Policies:** Target interventions for rural communities, girls, and children with disabilities.
6. **Strengthen Transparency and Accountability:** Ensure the use of savings is transparent, with regular reporting and stakeholder participation.

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