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ASSESSMENT OF FUEL SUBSIDY REMOVAL ON ACCOUNTING STUDENTS' ACADEMIC PERFORMANCE IN TERTIARY INSTITUTIONS IN DELTA STATE

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ABSTRACT

This study assesses fuel subsidy removal on accounting students' academic performance in tertiary institutions in Delta State. Consequently, three (3) research objectives, three (3) research questions and three (3) null hypotheses will guide the study and will be tested at 0.05 level of significance. The sample for the study includes accounting students from tertiary institutions in Delta State. Simple random sampling technique will be used in the study. The questionnaire shall be the instrument for data collection for the study. Data collected will be analyzed using mean, standard deviation and regression analysis. From the findings, suitable recommendations will be made.

Keywords: Subsidy, Removal, fuel, Students, Performance

Introduction

Tertiary institutions, also known as high education institutions, play a vital role in providing advanced knowledge and skills to students. According to the national policy on Education (FRN, 2013), tertiary institutions in Nigeria includes University offering undergraduate and postgraduate programmes in various fields, Polytechnics providing diploma and certificate programmes in technical and vocational fields and College of education offering programmes for teachers training and development.

Tertiary institutions focus on learning endeavours in specialized fields,

including academic and higher vocational education. Tertiary institutions include universities, colleges, and vocational schools, providing education beyond secondary school (UNESCO, 2019). International standard classification of education (ISCED) (2003), viewed tertiary institutions as classified into levels 5,6,7 and 8 including higher education at undergraduate, masters and doctorate levels of education. Tertiary institutions are essential for human capital development. They equip individuals with skills and knowledge to contribute to national development; Research and innovation to drive economic growth and enhance individual thinking, problem-solving, and communication skills (World Bank, 2014).

Academic performance is a critical aspect of students' educational experience, and it may be influenced by various factors, including socioeconomic status, access to resources, and policy changes (Fodio & Sa'idu, 2024). The removal of fuel subsidies in Nigeria has been a significant policy change that has affected many aspects of life, including education.

The academic performance of accounting students in tertiary institutions in Delta State may be particularly affected by fuel subsidy removal due to the increased transportation costs and financial burden resulting from the policy change. Accounting students may experience difficulties in attending classes, accessing educational resources, and participating in extracurricular activities, all of which may negatively impact their academic performance (Eboh et al., 2023).

A fuel subsidy is a financial assistance rendered by the government to reduce the cost of fuel for consumers. This subsidy is often used to offset the higher cost of fuel or to shield consumers from price fluctuations in the global energy market. It is financial incentive provided by a government to reduce the cost of fuel for consumer, a subsidy granted to fuel producers or distributors to lower the cost of production or distribution and form of assistance provided by a government to help low-income individuals afford fuel for transportation or heating.

Fuel subsidies in Nigeria, introduced in the 1970s, have been a long-standing policy aimed at protecting consumers from the volatile global oil market. This policy, which essentially involves the government paying the difference between the market price of fuel and the regulated price paid by consumers, has been lauded for its social impact, particularly in cushioning the economic burden on low-income households.

The goal of a fuel subsidy is to make fuel more affordable for citizens, especially those with lower incomes, and to promote economic development and job creation. However, fuel could also have negative consequences, such as draining government finances, distorting energy markets, and encouraging wasteful consumption of fossil fuels.

However, the fuel subsidy scheme has faced numerous criticisms and challenges. The initial intent of the subsidy has been overshadowed by issues of inefficiency, corruption, and the growing financial burden it places on the Nigerian government. As global oil prices have fluctuated, the cost of maintaining the subsidy has escalated, leading to debates

about its long-term sustainability and potential economic consequences.

Subsidy removal refers to the government's decision to eliminate or reduce financial assistance or support provided to certain industries or sectors. This could include subsidies on fuel, food, healthcare, or education. The removal of fuel subsidies is often presented as a measure to address these issues and promote economic efficiency. Proponents argue that it will free up government funds, potentially allowing for increased investment in infrastructure and other vital sectors. It is also argued that the removal may incentivize private sector investment in local refineries and reduce dependence on imported fuel, ultimately strengthening the country's energy security.

In the context of education, subsidy removal may have several implications on society and the education system. When subsidies are removed, the cost of education for students and their families could increase significantly. This could lead to higher tuition fees, fewer scholarships, and limited access to quality education. Subsidy removal could make education less affordable for low-income families and students, leading to increased dropout rates and reduced enrollment in schools and universities. Subsidy removal could lead to increase in the general prices of goods and services which may invariably lead to educational institutions struggling to maintain quality standards, hire qualified teachers, and provide necessary resources for effective learning. This could negatively impact the overall quality of education in the country. It could widen the gap between the rich and the poor in terms of access to education. Wealthier families may still be able to afford quality education, while disadvantaged students may be left behind due to financial constraints which may lead to a poorly educated workforce that could have long-term negative effects on the economy, as education is crucial for economic growth and development. Subsidy removal in education could limit opportunities for individuals to acquire the necessary skills and knowledge to compete in the global marketplace.

Statement of The Problem

The removal of fuel subsidies in Nigeria has led to an increase in transportation costs, food prices, and other living expenses, affecting the overall cost of living. This economic shift has far-reaching implications for accounting students in tertiary institutions in Delta State.

Accounting students in tertiary institutions in Delta State face unique challenges due to the fuel subsidy removal, including increased financial strain, reduced academic performance, and decreased motivation. The rising costs of transportation, accommodation, and other necessities may force some students to take on part-time jobs, potentially impacting their academic focus and performance.

Despite these concerns, there is limited research on the assessment of fuel subsidy removal on accounting students in Delta State. This knowledge gap hinders the development of targeted support services and interventions to mitigate the negative effects of fuel subsidy removal on these students. This study aims to assess fuel subsidy removal on accounting

students' academic performance in tertiary institutions in Delta State.

Goals and Objectives of the study

The goal of this study is to assess fuel subsidy removal and accounting students' performance in tertiary intuitions in Delta State. Specifically, this study seeks to:

1. assess the impact of fuel subsidy removal on the academic performance of accounting students in tertiary institutions in Delta State.
2. examine the effects of fuel subsidy removal on the transportation costs of accounting students in tertiary institution in Delta State.

Research Questions

The following research questions were raised to address the objectives above

1. What is the influence of fuel subsidy removal on the academic performance of accounting students in tertiary institutions in Delta State?
2. To what extent does fuel subsidy removal affect the transportation costs of accounting students in tertiary institutions in Delta State?

Research Hypotheses

The following hypotheses were formulated as tentative answers to the research problems and tested at 0.05 level of significance.

1. There is no significant difference in the mean response ratings of male and female on the influence of fuel subsidy removal on the academic performance of accounting students in tertiary institutions in Delta State.
2. There is no significant difference in the mean response scores of male and female on the influence of fuel subsidy removal on transportation costs for accounting students in tertiary institutions in Delta State.

Scope of the Study

This study is delimited to accounting students in Dennis Osadebe University, Asaba and Federal College of Education (Technical), Asaba, Delta State. The study focused on the influence of fuel subsidy removal on academic performance, transportation costs, and financial stress as variables of interest in the study.

Methodology

The study employed descriptive survey research design. Uzoechina (2022) posited that survey research is a design in which a sample is selected from a population and studied to make inferences about the population. This design typically use question and interview in order to determine the options, attitudes, preferences and perceptions of persons of interest. The population of the study comprised 347 accounting students from Dennis Osadebe University Asaba, and Federal College of Education (Technical) Asaba with 158 male and 189 female. The area of the study is Delta State. Delta state is one of the states in the south-south geopolitical zone of Nigeria with its state capital in Asaba. Proportionate stratified random sampling technique was used to select representative sample of participants from each institution for the study. 196 accounting students selected as sample population comprised of 89 male and 107 were female from Dennis Osadebe

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University Asaba, and Federal College of Education (Technical) Asaba Delta State.

The researcher designed a 20-item structured questionnaire on 4-point scale with responses options of Strongly Agree (SA), Agree (A), to Disagree (D), and Strongly Disagree (SD) for cluster I and Very High Extent (VHE), High Extent (HE), Low Extent (LE), and Very Low Extent (VLE) for cluster II. The research instrument was tagged "Assessment of Fuel Subsidy Removal on Accounting Students' Academic Performance Questionnaire (AFSRASAPQ)". The questionnaire comprised two clusters; each cluster contained 10 item statements that elicited responses from respondents in the study. The instrument was validated by two experts; one in the field of measurement and evaluation, Department of Educational Psychology and Counselling, and the other from Department of Marketing Education, both from Federal College of Education (T) Asaba, Delta State.

The validated questionnaire was pilot tested on 25 accounting students in Federal Polytechnic, Oko and Chukwuemeka Odumegwu Ojukwu University, Igbariam both in Anambra State. Data obtained from the respondents were analysed using Cronbach's Alpha for determining internal consistency and a reliability index of 0.71 using SPSS computer programme was obtained. This implied that the instrument was reliable and fit for collecting data in the main study. The researchers administered the research instrument to 196 accounting students in the two selected tertiary institutions in Asaba with the help of three (3) research assistants. All the administered 196 copies of questionnaire were duly responded and retrieved which gave a 100% return rate and used for analysis.

The data collected was analysed using mean statistics and standard deviation to answer the research questions. Decision rule was based on the cut-off point value of 2.50. Any item with mean value of 2.50 or above was regarded as agree/high extent while any item with mean value below 2.50 was regarded disagree/low extent.

Result Presentation

Research Question One: What is the influence of fuel subsidy removal on the academic performance of accounting students in tertiary institutions in Delta State?

Table 1: Influence of Fuel Subsidy Removal on the Academic Performance of Accounting Students in Tertiary Institutions in Delta State

S/N	STATEMENT	*Mean*	SD	Decision
1	The removal of fuel subsidy has made it difficult for me to concentrate on my academic work.	2.46	1.07	Disagree
2	My academic performance has declined since the removal of fuel subsidy due to financial and emotional stress.	2.33	1.16	Disagree
3	I find it challenging to attend lectures regularly because of the economic hardship caused by fuel subsidy removal.	2.52	1.17	Agree
4	The high cost of living resulting from fuel subsidy removal has negatively affected my study time and motivation.	2.38	1.20	Disagree
5	I am often unable to afford the necessary study materials as easily as before the fuel subsidy removal.	2.64	1.10	Agree

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6	The rising cost of essential commodities has distracted me from focusing fully on my academic pursuits.	2.55	1.15	Agree
7	I now find it difficult to participate in group assignments and discussions due to the increased financial pressure.	2.51	1.12	Agree
8	My grades have dropped because I spend more time worrying about financial survival than on academics.	2.49	1.15	Disagree
9	The overall quality of my academic engagement has reduced as a result of the current economic situation.	2.69	1.14	Agree
10	Fuel subsidy removal has a negative effect on my academic performance.	2.34	1.10	Disagree
Grand Mean and Standard Deviation Scores		**2.49**	**1.14**	**Disagree**

Table 1 presents responses on the influence of fuel subsidy removal on accounting students' academic performance in tertiary institutions in Delta State. The mean response scores range between 2.33 and 2.69. Majority of the respondents agreed that the removal of fuel subsidy made it difficult for them to attend lectures regularly (M = 2.52), inability to afford study materials easily (M = 2.64), inability to participate in group assignments (M = 2.51), and reduced quality of academic engagement (M = 2.69). However, the majority of items (1, 2, 4, 8, and 10) received "Disagree" responses. This suggests that although students acknowledged certain challenges such as increased cost of living and reduced motivation; these have not collectively translated into a notable decline in academic performance. The grand (M = 2.49, SD = 1.14) indicates a general tendency towards disagreement, meaning that respondents did not strongly perceive that fuel subsidy removal had a severe negative impact on their academic performance. Although students experienced mild academic disruptions due to fuel subsidy removal, they generally disagreed that it had a major negative impact on their overall academic performance.

Research Question Two: To what extent has fuel subsidy removal affected the transportation costs of accounting students in tertiary institutions in Delta State?

Table 2: Extent to Which Fuel Subsidy Removal Affect Transportation Costs of Accounting Students in Tertiary Institutions in Delta State

S/N	STATEMENT	*Mean*	SD	Decision
11	The removal of fuel subsidy has increased the amount I spend on transportation to school.	2.73	1.16	High Extent
12	I now find it difficult to attend classes regularly because transportation costs have become too high.	2.78	1.12	High Extent
13	The rise in fuel prices has led to an increase in the cost of public transport for students.	2.90	1.14	High Extent
14	I sometimes miss lectures because I cannot afford the daily transport fare to and from campus.	3.02	0.96	High Extent
15	The high transportation cost has made it difficult for me to participate in off-campus academic activities.	2.82	1.06	High Extent
16	I now have to trek or seek alternative means of movement due to the increase in transport fares.	2.58	1.15	High Extent

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17	The distance between my residence and school now affects me more because of the high transport cost.	2.89	1.01	High Extent
18	Transportation expenses now take up a larger portion of my monthly allowance or upkeep.	2.73	1.12	High Extent
19	I have had to reduce my number of campus visits or library sessions because of transportation costs.	2.88	1.05	High Extent
20	The removal of fuel subsidy has a negative impact on my transportation costs.	2.95	1.04	High Extent
Grand Mean and Standard Deviation Scores		**2.83**	**1.08**	**High Extent**

Table 2 reveals the extent to which fuel subsidy removal affected accounting students' transportation costs in tertiary institutions in Delta State. The mean values for all ten items fall between 2.58 and 3.02. Respondents overwhelmingly agreed that transportation expenses had increased significantly following the policy change. Items with high mean scores include increased daily transport expenses (M = 2.73), difficulty attending classes regularly (M = 2.78), increased distance-related hardship (M = 2.89), increased cost of public transport (M = 2.90), and difficulty affording daily fares leading to missed lectures (M = 3.02). The highest-rated statement suggests that transportation has become a major financial burden, consuming a substantial portion of students' allowances or upkeep. The grand (M = 2.83, SD = 1.08), indicated that most accounting students (respondents) felt a noticeable rise in the cost of commuting to and from campus to a high extent. Analysis of data revealed that fuel subsidy removal has highly increased transportation costs for students, making it harder for many to attend lectures regularly and engage in campus activities.

Test of Hypotheses

Hypothesis One: There is no significant difference in the mean response ratings of male and female students on the perceived influence of fuel subsidy removal on the academic performance of accounting students in tertiary institutions in Delta State.

Table 3: Independent Sample t-test of no Significant Difference in the Mean Response Ratings of Male and Female Students on the Perceived Influence of Fuel Subsidy Removal on the Academic Performance of Accounting Students in Tertiary Institutions in Delta State.

Group	N	Mean	Std. Dev.	Mean Difference	95% CIL	95% CIU	t-cal.	df	p-value	Alpha Level	Decision
Male	89	27.67	10.70	5.04799	2.04	8.05	3.313	194	.001	0.05	Significant
Female	107	22.63	10.56								

Table 3 examined whether male and female students differ significantly in their perceptions of the influence of fuel subsidy removal on academic performance. The independent sample t-test result shows t (194) = 3.313, p = 0.001 < 0.05, indicating

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a statistically significant difference between the two groups. The mean difference between male (Mean = 27.67) and female (Mean = 22.63) students was 5.05, suggesting that male students perceived the policy as having a greater negative impact on academic performance. The 95% Confidence Interval for the mean difference ranged from 2.04 (lower limit) to 8.05 (upper limit). Since the confidence interval does not include zero, the result reinforces the conclusion that the difference between male and female students' perceptions is statistically significant and not due to chance. This finding implies that the academic disruption caused by the policy appears to affect male students more strongly, possibly because of higher mobility demands or different coping mechanisms. The study revealed a significant gender difference exists in perceptions of how fuel subsidy removal affects academic performance, with male students feeling more adversely affected than female students.

Hypothesis Two: There is no significant difference in the mean response scores of male and female students on the perceived influence of fuel subsidy removal on transportation costs for accounting students in tertiary institutions in Delta State.

Table 4: Independent Sample t-test of no Significant Difference in the Mean Response Scores of Male and Female Students on the Perceived Influence of Fuel Subsidy Removal on Transportation Costs for Accounting Students in Tertiary Institutions in Delta State

Group	N	Mean	Std. Dev.	Mean Difference	95% CIL	95% CIU	t-cal.	df	p-value	Alpha Level	Decision
Male	89	30.17	9.47	3.44891	.56	6.34	2.356	194	0.02	0.05	Significant
Female	107	26.72	10.77								

Table 4 investigated whether male and female accounting students differ significantly in their perception of the effect of fuel subsidy removal on transportation costs. The independent sample t-test yielded t (194) = 2.356, p = 0.02 < 0.05, signifying a statistically significant difference between male and female students. The mean difference was 3.45, with male students (M = 30.17) reporting higher perceived transportation hardship than female students (M= 26.72). The 95% Confidence Interval for the difference in means ranged from 0.56 (lower limit) to 6.34 (upper limit). Since zero does not fall within this range, the result confirms that the observed difference is reliable and statistically meaningful. This suggests that male students may incur more frequent or longer commutes, or rely more heavily on paid transportation, making them more sensitive to the surge in fuel prices following subsidy removal. The study found a significant difference between male and female students regarding the impact of fuel subsidy removal on transportation costs, with male students reporting higher transportation-related difficulties.

Discussion of Findings

The finding of the study as revealed by research question indicated fuel subsidy removal has not meaningfully lowered the academic performance of students though some challenges were noted. The study revealed that, despite the significant economic disruptions caused by the removal of fuel subsidies, accounting students in Delta State have largely maintained stable academic performance. This outcome demonstrates resilience and adaptability among students, who appear to have developed coping strategies such as collaborative learning, the use of online educational resources, and effective time management. Academic performance is influenced by multiple factors, including motivation, access to educational resources, and environmental stability (Scottk, 2022; Fodio & Sa'idu, 2024). The Self-Determination Theory (Deci & Ryan, 2000) provides a useful explanation for this finding, as it emphasizes that individuals who maintain a sense of autonomy and competence can sustain motivation even in adverse conditions. Thus, while financial and transportation challenges emerged, they did not critically undermine academic engagement or achievement. Rather, these challenges highlighted students' capacity for self-regulation, intrinsic motivation, and persistence despite adverse circumstances.

The second finding of the study as indicated by research question showed that fuel subsidy removal has, to a high extent, increased transportation costs for students, making it harder for many to attend lectures regularly and engage in campus activities. This finding aligns with prior studies such as those of Adeola and Evans (2019) and Oladele and Oyebanji (2019), which reported that increases in fuel prices directly raise transportation costs, thereby limiting students' attendance and participation in academic activities. With the removal of the subsidy, commuting to campus has become considerably more expensive, especially for students living off-campus. According to the Expectancy Theory (Vroom, 1964), when students perceive that the cost of attending lectures outweighs the perceived academic benefits, their motivation to attend regularly may decline. The increased transportation costs have therefore become a major deterrent to consistent class attendance and active participation in campus life. This finding underscore how macroeconomic policies can indirectly affect educational access and equity. It highlights the need for institutional and governmental measures such as subsidized campus transportation, affordable hostel accommodation, and digital learning alternatives to mitigate the burden of high commuting costs on students.

Conclusion

The study concludes that while fuel subsidy removal has intensified financial and transportation challenges for accounting students, it has not drastically undermined their academic performance. This indicates remarkable student resilience and adaptability in maintaining academic commitment under economic strain. Nonetheless, continued financial pressure could, over time, erode motivation and engagement if unaddressed. It is evident that fuel subsidy removal has far-reaching implications beyond the economic sphere—it affects students' welfare, access

to education, and overall psychological well-being. Therefore, deliberate institutional and governmental interventions are necessary to protect students' learning continuity and holistic development.

Recommendations

Based on the findings of the study, the following recommendations were made:

1. Federal and State Governments should introduce student-focused welfare programmes such as transportation subsidies, scholarships, and bursaries to cushion the effects of fuel subsidy removal.
2. Tertiary institutions should provide affordable hostels, campus shuttle services, and meal subsidies to reduce daily living costs.
3. Institutions should collaborate with local transport services to provide discounted student fares and reliable commuting options.

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