

Impact of Subsidy Removal on the Socio-Economic Life of Undergraduate Students in Ekiti State University, Ado-Ekiti

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Abstract: In recent years, subsidy removal has become a pressing issue in Nigeria, reshaping the daily realities of students and households alike. This study explores how such policy shifts affect undergraduate students in Nigeria, especially in Ekiti State University, focusing on their access to basic needs and academic life. Therefore, the research investigated the socio-economic impact of subsidy removal on undergraduates at Ekiti State University (EKSU). Using a descriptive design, the study drew a sample of 120 students across four faculties, such as Arts, Sciences, Social Sciences, and Education, from a population of 4,306. Data were collected through a self-developed questionnaire; experts validated its face and content validity, and reliability testing yielded a coefficient of 0.67. Analysis employed descriptive statistics (means, standard deviation, frequencies, percentages) and inferential statistics, including Pearson's Product Moment Correlation at a 0.05 significance level. Findings revealed a significant relationship between subsidy removal and students' living standards, as well as their academic activities. The study therefore concluded and recommended, among others, that the government should provide targeted subsidies to ease the burden on undergraduates and safeguard their educational pursuits.

Key Words: Subsidy Removal, Socio-Economic Impact, Undergraduates, Ekiti State University and Pearson's Correlation

Introduction

The elimination of subsidies appears to be a key economic policy issue with broad impact on different areas of a country's economy, especially in developing countries where the government is a major force in stabilising the prices of critical goods and services. Subsidy is a financial measure taken by the government to help lower the market price of commodities and make them more affordable to consumers. The subsidy can take various

forms, but this study will concentrate on fuel subsidy. This is a subsidy where the government is the one that usually covers the cost of petroleum products in order to keep prices low. The removal of such subsidies creates a significant rise in the prices of goods and services because fuel is an integral part of transportation, production and economic activities. This, in turn, impacts the purchasing power of individuals and households, especially in countries such as Nigeria, where lots of residents have low earnings. The withdrawal of subsidies has complex consequences that will likely impact inflation, living standards, and access to basic needs, and students are likely to be among those most impacted by the withdrawal of subsidies, as they are financially dependent and have limited income sources. The socio-economic life of the individual includes economic stability, social mobility, access to opportunities and quality of life. It appears undergraduates are especially at risk from economic shocks because they rely on financial aid from their families, scholarships or part-time work, and these resources may not be enough to cover higher expenses in college. Fuel subsidies have been shown to have led to higher transportation costs, food prices, and accommodation prices, which have put strains on students' budgets and reduced their capacity to afford necessary academic and personal requirements. It is also an economic burden that appears to impact students' mental health, academic performance and overall experience of university, with many experiencing difficulty balancing finances and studies. In addition, rising expenses may make it more likely that some students will shift to other economic practices that could create difficulties with completing their education, such as doing menial jobs, further diminishing their problems.

The Nigerian government has been seen removing the subsidy for various purposes such as reallocating resources for infrastructural development, improving the fiscal deficits, and attracting the participation of the private sector in the economy. But observation indicated that the advantages of the lifting of the subsidy may not be immediately felt by the general public, mainly the pupils who are dependent on a stable economic situation to pursue their education without unnecessary strain. In fact, this situation can have repercussions on the standard of living of students in Nigerian public universities. Olawale and Akinyemi [19] reported that the increased transportation cost after the removal of the subsidy has resulted in less attendance in class by students in urban universities. This highlights the importance of implementing mitigation measures, such as providing targeted financial support or transportation subsidies for students, to help alleviate the effects of these types of policy adjustments. The effect of the removal of the subsidy is observed to have been quite striking, as it appears that students' and their parents' socio-economic status in Ekiti State has made it stand out. For example, at EKSU, many undergraduates are believed to come from middle- and low-income households, and are thus very vulnerable to economic shocks. With the increasing expense of getting to and from the university, some students are limiting how often they come or go, or finding

other, less convenient, ways to live. In addition, food and low-cost items in and around the campus are becoming more expensive, which has caused financial difficulties, as many students are unable to buy food or other necessary learning resources. Some students appear to be taking up part-time jobs, perhaps as a result of these economic pressures, which can have negative consequences on their academic performance because they are unable to give their studies the attention and time that they need.

It also emerged from the observation that undergraduates are experiencing an increasing number of socio-economic problems in general and at EKSU in particular, which require immediate attention and intervention from both government and the university administration to minimise the negative impact on their future academic and socio-economic life. Student support programmes (NELFUND), including transport subsidies, meals and scholarships, could be introduced to help mitigate some of the financial pressures that would result from withdrawing subsidies. Similarly, institutions like EKSU might consider cutting-edge options like work-study initiatives to enable students to work while pursuing their studies. If left unaddressed, the socio-economic effects of removing subsidies can result in increased dropouts, lower academic engagement, and increased financial burden on undergraduates, which can have implications for their future career prospects and their contribution to national development.

Concept of Subsidy

Subsidy is an economic measure that involves providing financial support to a specific person, business or industry to enable them to pursue economic activities or maintain a balance in the market and to ensure social welfare. It is practised in several ways such as through cash payments, tax cuts, price controls, and grants, to alleviate production or consumer costs. In modern economies, subsidising is an important policy measure that can boost the affordability and accessibility of essential goods and services, notably in sectors like agriculture, energy, healthcare and education, as Akyol and Athreya [1] explain. Amegashie [2] also notes that subsidies have been used to correct markets when it has been found that free markets are not allocating ideal resources. All over the world, governments use subsidies to reduce economic inequalities and promote industrial growth [9] [12]. Subsidies are not viewed as “free money”; instead, they are intended to correct market failures and improve the overall economic system in which consumers and producers can all benefit. (See Johnson [6]).

There are two types of subsidies - producer and consumer subsidies, each with economic functions. Businesses and industry receive subsidies to help lower costs of production, which in turn increases production and economic growth. Producer subsidies enable firms to be competitive in domestic and foreign markets, especially in those with high

production expenses or international price competition, Jiang, Ouyang and Huang [5] noted. In developing economies, producer subsidies in agriculture and manufacturing sectors play an important role in providing food security and employment, as highlighted by Labeaga, Labandeira and López-Otero [8]. Consumer subsidies, on the contrary, have been used to make essential goods and services affordable to the masses, such as fuel, healthcare, and education. Lee, Ram and Smith [9] suggest that the rationale for consumer subsidies is to expand the purchasing power of the lower-income groups, which consequently have the ability to buy necessary goods and services. A combination of producer and consumer subsidies provides economic stability as it brings the balance between supply and demand in a regulated economic system [1], [32].

Subsidies are used by governments for a range of strategic and policy reasons such as market stabilisation, economic development and social equity. According to Kemnitz [7], the use of subsidy as a price stabilisation instrument to shield consumers from extreme price changes of commodities occurs in volatile markets. Subsidies on, for instance, electricity and fuel can lower the prices of these goods in energy markets and prevent inflation pressures that may emerge if production costs are high. Johnson [6] also argues that financial aid can be used as a research and development incentive, especially for industries with significant investments in R&D, like technology, renewable energy, and pharmaceuticals. Another important function of subsidies is to bridge the economic divide by assisting the poor, rural people and small businesses, as noted by Amegashie [2]. The economic intervention is vital in closing the socio-economic gap and in equipping resources to different socio-economic groups with resources.

Although the advantages of subsidies, their economic impact depends on the strategies and fiscal policies with which they are implemented. The effectiveness of subsidies depends, in part, on how the subsidies are targeted [3]: poorly designed subsidy policies can create inefficiencies and unintended economic effects. However, as pointed out by Akyol and Athreya [1], in some instances subsidies can result in overproduction or underpricing, which can have a negative impact on the market and ultimately result in misallocation. The authors of Jiang et al. [5] claim that any subsidy policy must be dynamic, transparent and subject to regular review to see if it is achieving the desired goals and causing any economic imbalance. Effective subsidy management is key to making sure the benefits are delivered to target groups, and the cost to governments is minimised. The design and implementation of subsidy programmes need to be based on a strategic approach and should be monitored on a regular basis to guarantee sustainable economic effects.

Concept of Fuel Subsidy

According to [4], a subsidy is 'any monetary advantage granted by the government to an industry to reduce the price of its products and make them more competitive'. This can be a countermeasure against customs duty imposed by the importing country government [4]. A primary goal of subsidy is to keep prices below the cost of production. Also, subsidies can be defined as any action that lowers the price consumers pay for a product or raises the price producers receive for a product above the market price. There are various forms of subsidies. Some of these have a direct effect on prices, e.g. grants, tax reductions, price controls. Others influence prices indirectly, by regulations in favour of one type of fuel, or by the financing of technology, research and development by the government. Fuel subsidy is a policy by the government of Nigeria to reduce the cost of petroleum products such as petrol (PMS) and diesel (Automotive Gas Oil) paid by the citizens. It is designed to shield the citizens from the volatility of the international crude oil market price. The subsidy is the government's payment for the gap between the market price of fuel and the cost of the fuel, which means fuel can be sold for less, reducing financial burden, particularly for the lower-income groups. The introduction of a subsidy to fuel is not a new policy in Nigeria, as it had been in effect prior to the Buhari government with a view to assisting citizens to manage their economy in times of economic adversity. From a conceptual point of view, the rationale of fuel subsidies is to improve financial capacity and to take into account the implicit loss of financial resources as part of the government's responsibility to guarantee the welfare of the population.

Fuel subsidy is a government measure that lowers the actual price that consumers pay for fuel products, which they buy from the market, below the market price [20]. With subsidy, consumers are paying less per litre for petroleum products. But there has been much discussion across the world concerning fuel subsidies, mainly because of their significant expense and the effects on citizens' welfare and the fiscal health of countries. The International Energy Agency estimates that global fossil fuel subsidies averaged \$1 trillion in 2022, increasing from \$325 billion in 2018 [28]. This exceeds the projected global aid of \$204 billion in 2022 and is more than the government revenue of many developing countries. Therefore, there is an urgent need to phase out fossil fuel subsidies globally, with the saved money being used to help the poor and vulnerable in developing countries who require humanitarian aid. [28]

But the question of eliminating the fossil fuel subsidy is a debatable one. Proponents say these subsidies are a type of aid that lower-income people can afford. However, many studies have been conducted that reveal the many negative effects of subsidies, such as higher air pollution and greenhouse gas emissions [28], higher traffic congestion [24], accidents and premature deaths [24], lower tax revenues [28] and higher income inequality [24]. Also, in many countries, policymakers are reluctant to remove fuel subsidies or to

implement fuel or electricity price reforms, because this might result in substantial increases in fuel or electricity prices. This, in turn, can place a strain on the poor and can lead to public outcry and possible rebellion or the downfall of the government.

Overview of Subsidy Removal in Nigeria

Nigeria's subsidy removal policy is a crucial pivot in the government's agenda to ease its fiscal burden and foster economic sustainability. Subsidies have traditionally been used as a way to keep essential commodities and services, such as petroleum products, easily affordable for citizens. According to Winston [22], Nigeria's subsidy policy was mainly on fuel, electricity and agriculture, to assist in keeping prices stable and maintaining the welfare of its citizens. But as the financial burden on the national budget grew, and the subsidy system started to be inefficient over time, discussions began within the policy process to reform the system. Zou [25] contends that the withdrawal of subsidies is often discussed in terms of economic liberalisation, which substitutes a market-based approach for state intervention. Yakita [23] goes on to say that with the withdrawal of subsidies, it is hoped that efficiency will increase, that foreign investors will be attracted, and that government spending on price stabilisation will be cut. The change in policy, thus, will be a drastic restructuring of Nigeria's economic base.

The removal of petroleum subsidy has been a major thrust in Nigeria's economic reform policies since petroleum, which is pivotal to various activities in the country and industrial production, is a major component of daily activities. Matsuda [10] mentions that the Nigerian government has tried to phase out fuel subsidy several times because of financial inefficiencies and distortions in the economy by the subsidy. Yang, Li, Zhou, and Lian [24] point out that although the purpose of petroleum subsidies was to benefit consumers, they instead devoured government resources because the subsidies were being used to support artificially low fuel prices, and the government had no money left for infrastructure or social services. The elimination of fuel subsidies is consistent with global economic advice and recommendations to limit the role of the government in pricing [13]. Ogunode and Ukozor [15] contend that the removal of fuel subsidies should improve the economy's operation and efficiency, but the process is not without potential negative social impacts and should be sensitively handled, especially when considering the impacts on the low-income community. The policy change therefore aims at repositioning the economy of Nigeria for sustainability.

Another key element of Nigeria's economic restructuring is the removal of electricity subsidies, which is designed to ensure efficiency in the power sector. According to McPherson, Schapiro and Winston [11], the goal of government subsidy in the electricity sector was to keep power prices down for the people without compromising the financial viability of service providers. But Offor and Ego [14] contend that through constant

subsidies inefficiencies arose, which affected the private sector and reduced investment in energy infrastructure. Mohammed, Ahmed and Adedeji [12] point out that the withdrawal of electricity subsidies will lead to competition, better service delivery and the resulting investment in power generation and distribution. According to Okwa, Okwonu, and Owoyi [17], the subsidy removal will result in some price variations initially, but it will bring a more sustainable and investment-worthy energy market. This policy shift is in line with global developments in which the power sector moves away from government interventions in the form of tariffs and toward competitive pricing.

Removing agricultural subsidies is also a key component of Nigeria's economic reform program, impacting food security and rural development. According to Ojo [16], history has shown that the Nigerian Government has been giving subsidies to smallholder farmers for their fertilisers, improved seedlings, and farming implements. The positive effects of such subsidies in promoting agricultural productivity have been noted by Yang, Li, Zhou, and Lian [24], who claim that they led to market distortions and inefficiencies. Zou [25] points out that the elimination of subsidies in the agricultural sector should lead to a more competitive industry, increased private sector investment and sustainable farming. While the short-term impact of subsidy elimination can be higher production costs, the long-term impact can be better resource allocation and market pricing, says Offor and Ego [14]. The move away from government intervention is, therefore, aimed at promoting self-reliance and innovation in Nigeria's agricultural system.

Theoretical Framework

The theories used to support this study are Welfare Economics Theory and Human Capital Theory, which can explain the government's economic policies on the welfare and educational outcomes of the people.

Welfare Economics Theory

In the early 20th century, Welfare Economics Theory was mainly advanced by Arthur Cecil Pigou. Pigou [30] constructed the theory to account for the possible role of government in correcting market failures and enhancing social welfare. He claimed that the state should intervene in the distribution system to better the lives of society, particularly for the vulnerable population who cannot take the competition of free the market. Pigou argued that the welfare impact could be improved overall by using economic policies (tax, subsidy, social support, etc.) to correct the inequalities and inefficiencies in resource allocation. The theory suggests that government intervention in the form of subsidies should be necessary to address market failures, equity issues and vulnerable groups [30, 32]. The primary beneficiaries of subsidies are the consumers since they help to lower the price through which they provide essential goods and services and thus boost their purchasing power and standard of living.

In particular, fuel subsidies aim to keep the prices of petroleum products affordable and also to lower the transportation and production costs. The International Monetary Fund (IMF) [29] estimates that in developing nations, energy subsidies are an important safety mechanism for households to avoid high energy bills and for governments to ensure economic stability. But elimination of subsidies can also result in higher fuel prices, higher transport costs and higher cost of living for the people, which can have a negative impact on welfare [28].

From this study's perspective, the withdrawal of subsidies makes it harder for undergraduates to pay for their transportation, food, lodging, and educational resources. This could lead to a decline in their quality of life and well-being. Utilising the Welfare Economics Theory, the impact of subsidy removal on the undergraduates' access to basic needs and standard of living can thus be explored. The theory forms the basis for the research questions and hypotheses because it helps to understand that changes in government subsidy policies directly affect the welfare and economic condition of the individuals. As such, it is believed that there will be a strong association between subsidy removal and undergraduates' livelihoods and socio-economic life.

Human Capital Theory

The Human Capital Theory by Theodore Schultz [31] and extended by Gary Becker [26] focuses on the benefits of education from the perspective of increasing the skills and productivity of individuals and their earning potential. The theory holds that students need to be well funded so that they can realise their full education potentials. At times, students' participation in academic activities could be hampered by increased financial constraints. In Becker [27], it is said that in the investment in education, it is necessary to spend direct costs, such as transportation, learning materials, and indirect costs, such as living expenses. Increased economic cost, including the withdrawal of subsidies, can place students under financial stress, which can negatively impact their academic engagement and achievement. Likewise, Schultz [31] reported that people's lack of ability to invest in their education due to economic hardship can impact their productivity.

From this study, it is found that the elimination of fuel subsidies in this study has caused an increase in transportation costs, food prices and other living costs, which can make students less motivated to continue studying or look for part-time jobs. This might have a negative impact on their academic work, school attendance, and their educational journey. The Human Capital Theory thus argues that the financial disadvantage due to the withdrawal of subsidies can influence students' educational investment and academic engagement.

Relevance of the Theory to the Study

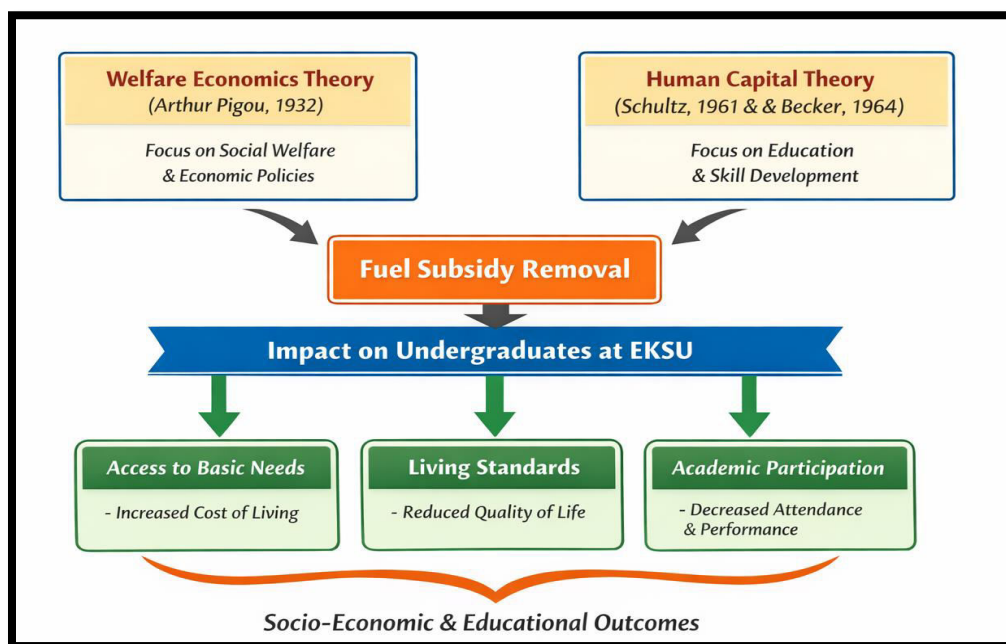


Figure 1: Theoretical Framework of the Relevance of Welfare Economics Theory and Human Capital Theory

The Welfare Economics Theory addresses the economic welfare implications of subsidy removal on undergraduates, access to basic needs and living standards and the Human Capital Theory, which addresses the implications for economic challenges on undergraduates' academic activities and educational development.

The research questions and hypotheses are based on these theories, which suggest that subsidy removal can have important effects on:

1. students' learning, and
2. the standards of living of the students,
3. students' academic involvement and engagement.

Hence, the theoretical framework gives a logical basis for the study of the effect of subsidy removal on the socio-economic life of undergraduates in the Ekiti State University.

Statement of the Problem

In Nigeria, the deregulation of fuel prices appears to have caused severe economic problems, particularly for young people, such as undergraduates. Fuel prices rose, and the cost of transportation, food, and basic goods increased too, exerting an additional economic burden on students already burdened with economic difficulties. The researcher

noted that the financial support of the family or sources of part-time work or the availability of scholarships seem to be the only sources of funding for many students in public universities, including Ekiti State University (EKSU), as perceived by the researcher; this had become inadequate to support students' needs with the prevailing inflationary pressures. The researcher noticed that the cost of living has increased, and that this has added to the financial pressures some of the students faced, leading to the need for some of them to work off campus and thereby potentially impacting their academic and mental health. These financial challenges appear to lead to increased stress, decreased focus and, for some, not attending school because of lack of funds. The researcher thus wants to explore the direct effects of the withdrawal of subsidy on the financial stability, academic performance and well-being of EKSU undergraduates.

Purpose of the Study

This study assessed the impact of subsidy removal on the socio-economic life of undergraduates in Ekiti State University (EKSU). Specifically, the study:

- i. examined the impact of subsidy removal on access to basic needs among undergraduates at Ekiti State University;
- ii. assessed the impact of subsidy removal on the living standard of undergraduate students at Ekiti State University;
- iii. assessed the impact of subsidy removal on attendance at academic activities among undergraduates at Ekiti State University.

Research Questions

The following research questions were raised in line with the objectives of this study:

1. What is the impact of subsidy removal on access to basic needs among undergraduates at
2. Ekiti State University?
3. To what extent does the removal of subsidy influence the spending habits of undergraduates in Ekiti State University?
4. What are the implications of subsidy removal on undergraduates in Ekiti State University?

Research Hypotheses

The following research hypotheses were formulated:

1. There is no significant relationship between subsidy removal and the living standards of undergraduates in Ekiti State University.
2. There is no significant relationship between subsidy removal and academic activities of undergraduates in Ekiti State University.

Methodology

The survey type of descriptive research design was used in this study. This design was chosen because it involves no manipulation of the participants' behaviour, merely an observation and description of the behaviour. The population of this study comprised 4306 undergraduate of Ekiti State University (EKSU). As per the University's Official Portal (2023). Stratified sampling technique was used to select a total of 120 undergraduates from four Faculties of EKSU (Arts, Sciences, Social Sciences and Education). Each faculty was divided into strata based on the number of students. The research instrument employed for this research work was a self-designed questionnaire titled "The impact of subsidy removal on socio-economic life of undergraduates in Ekiti State University (ISRSEL). To ascertain the validity of the instrument, copies of the questionnaire were given to experts in Social Studies Education and Test and Measurement in the Faculty of Education, Ekiti State University, to ensure the face and content validity. The reliability of the instrument was obtained by the test-retest method with a reliability coefficient of 0.67 after two weeks. The copies of the questionnaire were personally administered by the researcher. The data obtained were analysed descriptively (mean, standard deviation, frequencies and percentages) and inferentially (Pearson's Product Moment Correlation) to test the hypotheses. Tests of the hypotheses were carried out at a 5% level of significance.

Results

Descriptive Analysis

Research Question 1: What is the impact of subsidy removal on access to basic needs among undergraduates at Ekiti State University?

Table 1: Frequency and Percentage of the impact of subsidy removal on access to basic needs among undergraduates at Ekiti State University

SN	ITEMS	Agreed		Disagreed	
		Freq	%	Freq	%
1.	It is more difficult to cover basic needs such as food and clothing costs because of the elimination of subsidy	79	65.8	41	34.2
2.	Increased transportation costs on ability to access basic needs due to subsidy removal	118	98.3	2	1.7
3.	Academic and personal needs have become more difficult because of the removal of subsidies, which have increased the cost of living	65	54.2	55	45.8
4.	I have less money to buy textbooks and other learning materials because of subsidy removal	63	52.5	57	47.5
5.	Cost of housing and Essentials are difficult due to the abolition of subsidy	101	84.2	19	15.8

The frequency and the percentage of the impact of subsidy removal on the access to basic needs of the undergraduates of Ekiti State University are presented in Table 1. The answers of the respondents were aggregated into agreed and disagreed. 118 (98.3%) of the respondents said that Subsidy removal has led to an increase in transportation costs, affecting their ability to access basic needs, while 101 (84.0%) of them said that the removal of subsidy has made it challenging to afford accommodation and basic utilities. 79 (65.8%) of the respondents said that the removal of subsidy has made it more difficult to afford basic needs like food and clothing, while 54 (54.0%) of them said that they use drugs to stay awake and study longer. 65 (54.5%) said the increased cost of living as a result of the subsidy removal has made it difficult for them to look after their academic and personal needs, while 63 (52.5%) said that the subsidy removal has lowered their ability to buy textbooks and other learning materials. From the above table, it can be deduced that the removal of the subsidy has affected students' access to basic needs of undergraduates of Ekiti State University.

Research Question 2: To what extent does the removal of subsidy influence the spending habits of EKSU students?

Table 2: Frequency and Percentage of the extent to which the removal of subsidy influences the spending habits of EKSU

SN	ITEMS	Agreed		Disagreed	
		Fre q	%	Fre q	%
1.	Without subsidy, my overall standard of living has been significantly lower	110	91.7	10	8.3
2.	Removing subsidy has forced me to scale back on some personal luxuries and entertainment	101	84.2	19	84.2
3.	After the subsidy was lifted, my increased expenses have made it difficult to live a healthy lifestyle	84	70.0	36	30.0
4.	It has become harder for me to participate in extra-curricular activities due to subsidy removal	50	41.7	70	58.3
5.	My cost of basic goods and services has increased to a level that has a marked impact on my quality of life	42	35.0	78	65.0

Table 2 shows the frequency and percentage of the extent to which the removal of subsidy influences the spending habits of EKSU. For easy interpretation, the respondents' responses were collapsed into agreed and disagreed. 110 (91.7%) respondents reported that the elimination of subsidy has substantially lowered their overall standard of living, and 101 (84.2%) said that because of the removal of subsidy, I have had to cut back on my personal luxuries/entertainment. 84 (70.0%) of the respondents reported that their ability to live

healthily has been adversely impacted by the cost of living after subsidy removal. It could be said from the above table that the removal of subsidy had influenced the spending habits of EKSU students.

Research Question 3: What are the implications of subsidy removal on undergraduates?

Table 3: Frequency and Percentage of the implications of subsidy removal on undergraduates

SN	ITEMS	Agreed		Disagreed	
		Freq	%	Freq	%
1.	Having the subsidy taken away from my ability to afford transportation to attend lectures	68	56.7	52	43.3
2.	I have been unable to attend academic activities because of financial problems, as a result of subsidy removal	89	74.2	31	25.8
3.	Since subsidies have been removed, the high cost of living has made working more important than going to school.	56	46.7	64	53.3
4.	I can't do as many of the group academic projects and study sessions as before the subsidy removal	74	61.7	46	38.3
5.	Subsidy removal has made it more difficult for me to participate in supplementary academic activities – seminars, conferences	36	30.0	84	70.0

In Table 3, the frequency and percentage of implications of subsidy removal to undergraduates are shown. For ease in interpretation, the responses of the respondents were collapsed into agreed and disagreed. 89 (74.2 %) of the respondents reported that they have missed educational activities because of financial problems as a result of the removal of subsidies, whilst 74 (74.0 %) reported that the subsidy removal has decreased their ability to participate in group academic projects and study sessions. 56.7% (68) said removal of subsidies has impacted their ability to afford transportation to attend lectures. From the table above, it could be concluded that some of the implications of subsidy removal to the undergraduates are the absence of academic activities, inability to perform group projects and inability to afford transportation.

Testing of Hypotheses

Research Hypothesis 1: There is no significant relationship between subsidy removal and living standard.

Table 4: Pearson Product-Moment Correlation Analysis showing a significant relationship between subsidy removal and living standard.

Variables	N	Mean	SD	r	P
Subsidy Removal	120	36.14	10.21	0.619*	0.001
Living Standard	120	34.91	9.67		

$p < 0.05$

(Significant Result)

From Table 4, the t (0.619*) is significant at the 5% level of significance. The null hypothesis is rejected. This implies that there is a significant relationship between subsidy removal and living standard.

Research Hypothesis 2: There is no significant relationship between subsidy removal and academic activities

Table 5: Pearson Product moment Correlation Analysis showing a significant relationship between subsidy removal and academic activities

Variables	N	Mean	SD	r	P
Subsidy Removal	120	36.14	10.21	0.718*	0.000
Academic activities	120	35.10	8.19		

$p < 0.05$ (Significant Result)

From Table 5, the t value is 0.718* which is significant at the 0.05 level of significance. The null hypothesis is rejected, implying that there is a significant relationship between subsidy removal and academic activities.

Discussion

The result of this study indicated that removal of subsidy has affected access to basic needs of undergraduate students of Ekiti State University. In line with the claim of Offor and Ego [14], this finding is consistent with the inefficiency resulting from continuous subsidies, lack of investment in energy infrastructure and lack of interest of the private sector.

This study also showed that the withdrawal of subsidy had an impact on the students' spending pattern at EKSU. This is in accordance with the Okwa, Okwonu and Owoyi [17], who claimed that while some price changes may occur in the short term, the objective of removing electricity subsidies is to establish a more sustainable and investment-friendly energy market.

According to the results obtained in this study some of the consequences of subsidy withdrawal for undergraduate students are that they miss out on academic activities, can't join group projects, and can't afford transportation. This is consistent with Matsuda's [10] claim that subsidies are costly for governments and can cause budget deficits, especially if the government cuts spending on other areas like education and health care.

Another finding of this study was that the relationship between subsidy removal and living standards is significant. This is consistent with the work of Winston [22], who noted that whilst the removal of subsidy can lead to an initial economic adjustment, it can ultimately lead to a more resilient and sustainable economy.

This study also found that there exists a significant relationship between subsidy removal and academic activities. This result corroborates the submission of Yang et al. [24], which

revealed that the heavier the economic burden on students, the more inflationary pressures that are felt when subsidy removal is increased, which leads to higher tuition fees and cost of living.

Conclusion

From the results of this study, the following conclusions can be drawn that Subsidy removal has affected access to basic needs and academic activities of the undergraduates of Ekiti State University, Ado-Ekiti.

Recommendations

The following recommendations were made based on the findings obtained from this study:

1. Government should provide some of the basic amenities to the undergraduates of Ekiti State University.
2. Students should be guided on how to set their priorities
3. Students should be advised to stay very close to the campus so as to avoid transportation hikes.

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