

FUEL SUBSIDY REMOVAL AND THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES IN CROSS RIVER STATE, NIGERIA

By

Okoruwa, David Ehizuelen¹, Ene Edet Ene², Umaru Musa³, Bassey Ogbo Edonugom⁴, Arokwe, Patrick Abam⁵
^{1,2,4,5}Department Of Economics University Of Calabar, Nigeria. ³Federal University, Wukari, Taraba State, Nigeria

ABSTRACT

Petroleum subsidy removal in Nigeria has led to serious contentions in the country due to its effects on the economy. This study examines the effect of petroleum subsidy removal on the performance of micro and small enterprises in Cross River State, Nigeria. The study adopted the Survey research design; the sample size for this study was 150 owners' managers of micro and small scale enterprises in Calabar Municipality and Calabar South Local Government Areas of Cross River State while the Purposive sampling method was adopted as the sampling technique. The technique of data analysis was the Chi-square statistical technique, Findings from the Chi-square results revealed that the fuel subsidy removal has a significant effect on the profits of MSEs in Cross River State. Also, from the chi-square result, fuel subsidy removal has a significant effect on the sales of MSEs in Cross River State. Furthermore, from the chi-square result, fuel subsidy removal has a significant effect on the employment of people living with disabilities by micro and small enterprises in Cross River State. Finally, from the Chi-square result, the fuel subsidy removal has a significant effect on the market share of MSEs in Cross River State. Based on these research findings, it was recommended that the Cross River State government should intervene and provide means of transportation at a subsidized rates in the State so as to help reduce the high costs of transportation in the State and this will go a long way in boosting the performance of micro and small enterprises in Cross River State. Also, there should be a public – private partnership in the area of provision of transportation in the State so as to ease the movement of people as well as goods and services in the State. Furthermore, the prices of goods and services in Cross River State should be regulated to avoid incessant increases in prices and finally, good roads network should be constructed especially in the rural areas and existing ones maintained in the State so as to facilitate easy movement.

Keywords: Fuel subsidy removal; Micro and small enterprises, Performance; Cross River State; Nigeria.

INTRODUCTION

For many years, fuel subsidies in Nigeria have been a major and divisive topic. Fuel subsidies have been a part of Nigeria's history since the 1970s, when the government started controlling fuel prices to keep them unnaturally low for consumers (KPMG, 2023). This was done in order to give the people of Nigeria access to reasonably priced fuel. Fuel subsidies eventually become a financial strain for Nigeria. Fuel subsidies were costing the government a large amount of its budget, which created financial difficulties. Nigeria's fuel subsidy scheme was beset by corruption and fuel smuggling, with subsidized petroleum frequently being sold illegally for a higher price in neighboring nations (McCulloch, Moerenhout & Yang, 2021).

In an effort to lessen the strain on the government and improve transparency, a number of Nigerian governments tried to change the fuel subsidy scheme. The public objected to these initiatives and protested them. The Nigerian government declared in 2020 that it will completely deregulate the oil industry's downstream sector, including eliminating fuel subsidies. By taking this action, the government hoped to cut back on subsidies and let market forces set fuel prices (Iroanusi, 2021). Historically, the goal of gasoline subsidies has been to keep inflation under control, stabilize fuel costs, and lessen the financial burden on the general public. By lowering operational expenses and guaranteeing the availability of energy at a fair price for manufacturing and distribution operations, fuel subsidies have benefited SMEs by lowering transportation costs (Adeniran, 2016).

The foundation of global economic growth and development is made up of micro and small businesses. According to the Organization for Economic Cooperation and Development (OECD), these companies usually make up over 90% of all businesses outside of white-collar positions, are a key source of employment, and provide large amounts of income both domestically and internationally.

The backbone of Nigeria's economy, micro and small businesses play a vital role in reducing poverty, creating jobs, and fostering economic progress. These businesses provide vital goods and services to both urban and rural areas by operating in a variety of industries, such as manufacturing, retail, services, and agriculture. Since fuel subsidies lower the operating costs of micro and small businesses, they have significantly improved the functioning of SMEs over time. The current study was made necessary by the federal government's recent removal of gasoline subsidies, and it looks into how the performance of micro and small businesses in Cross River State, Nigeria, is affected by this change.

Nigerian small and medium-sized enterprises have historically played a vital role in the expansion of the country's economy through their operations and endeavors. Due to their widespread presence and contribution to the GDP, social progress, and political development of the nation, the significance of SMEs cannot be overstated. The most recent obstacle that SMEs in Nigeria must overcome is the Federal Government of Nigeria's complete elimination of gasoline subsidies. SMEs use the resources and possibilities provided by fuel subsidies to expand and

maintain their operations, in contrast to major corporations and organizations. Fuel subsidies are a significant source of leverage for SMEs, and their removal would be extremely dangerous for their continued existence. These SMEs rely largely on private power generation to run their businesses because the country's energy or power issues have not yet been resolved. As a result, they pay a high price to conduct their operations.

Fuel subsidies were eliminated, which has increased the cost of inputs used in production and affected how goods and services are marketed and distributed. It resulted in increases in the cost of goods and services, hurting micro and small businesses' sales, earnings, market shares, and jobs. The sudden rise in fuel costs brought on by the elimination of subsidies has made matters worse for the majority of Nigerians, who are already suffering from high unemployment rates and other widespread economic difficulties (Darlington & Monday, 2023).

Additionally, most small and medium-sized businesses (SMEs) rely on fueling their machines for business operations because of the ongoing lack of energy throughout the nation, which is now exceedingly challenging to provide. However, the performance of micro and small businesses has been adversely affected by the constant rise in transportation costs, shifts in consumer preferences, rising input prices, and a lack of government assistance, which has resulted in a persistent increase in the price of goods and services and an impact on income distribution.

Thus, in order to address the core focus of this study, this study answers to the following questions: what is the effect of fuel subsidy removal on the profits of micro and small enterprises in Cross River State? What is the effect of fuel subsidy removal on the sales of micro and small enterprises in Cross River State? what is the effect of fuel subsidy removal on the market share of micro and small enterprises in Cross River State? And what is the effect of fuel subsidy removal on employment of people living with disability by micro and small enterprises in Cross River State?

The main objective of this study is to examine the effect of fuel subsidy removal on the performance of micro and small enterprises in Cross River State, Nigeria. This study is arranged in five sections. Section one contains the introduction, section two examines the literature reviewed as well as the theoretical framework while the section three dwells on the methodology. Section four focuses on presentation of results, analysis and discussion of findings, while section five gives the conclusion and policy recommendations.

2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Concept of Fuel Subsidy

A fuel subsidy is a government program that lowers the price of fuel for consumers by offering financial support. In order to achieve this, fuel is usually sold for less than the going rate, with the government providing subsidies to make up the difference (Ilodigwe, 2023). Stabilizing domestic prices and lowering the cost of fuel for citizens are the primary objectives of fuel subsidies. However, because fuel

subsidies frequently result in higher government spending and might promote excessive gasoline usage, they can have fiscal, environmental, and economic repercussions (Adewumi, Adewuyi & Adegbite, 2018).

Fuel subsidy removal

Removal of fuel subsidies is the government's decision to cut back on or do away with subsidies for petroleum products like diesel and gasoline. Significant social and economic repercussions may result from this. In one sense, it can ease the strain on the public coffers and encourage more effective distribution of resources. However, it frequently results in higher fuel prices, which can result in greater costs for businesses and consumers. This could contribute to inflation and disproportionately affect lower-income persons and organizations (Adeniran, 2016). A number of political and economic considerations may have been taken into consideration by the government when making the difficult policy decision to eliminate fuel subsidies (Ozili & Obiora, 2023).

Micro and Small Scale Enterprises

With the implementation of the National Policy on MSMEs, Nigeria has tackled the problem of defining what micro, small, and medium-sized businesses are, just like in developed economies. Businesses classified as Micro Enterprises have fewer than N5 million in total assets (excluding land and buildings) and a workforce of no more than 10 employees; Small Enterprises have more than N5 million but not more than N50 million in total assets (excluding land and buildings) and a workforce of more than 10 but not more than 49 employees; and Medium Enterprises have more than N50 million but not more than N500 million in total assets (excluding land and buildings) and a workforce of 50 to 199 employees (SMEDAN, 2013). Nigeria has addressed the issue of defining micro, small, and medium-sized firms, similar to developed nations, with the introduction of the National Policy on MSMEs. Small businesses have more than N5 million but not more than N50 million in total assets (excluding land and buildings) and a workforce of at least 10 but not more than 49 employees; Micro businesses have less than N5 million in total assets (excluding land and buildings) and a workforce of no more than 10 employees; and Medium Businesses have more than N50 million but not more than N500 million in total assets (excluding land and buildings) and a workforce of 50 to 199 employees (SMEDAN, 2013).

2.2 Empirical literature

The complex effects of eliminating fuel subsidies on companies of all sizes—large, medium, and small—as well as the ensuing effect on Nigeria's total economic growth were studied by Ohonba and Ogbeide (2023). The study provides insight into the complex dynamics that arise when fuel subsidies are removed. The study used a qualitative methodology to examine relevant literature. Although the elimination of fuel subsidies initially raises gasoline prices, which affect transportation expenses and the cost of goods and services, the effects on businesses differ greatly depending on their size and industry, according to the findings.

Using the Kolmogorov-Smirnov and Shapiro-Wilk tests, Dodo, Salisu, and Isiyaku (2024) assessed the effects

of eliminating petroleum subsidies on the operational environment of small and medium-sized businesses (SMEs) in Katsina state's senatorial zone. According to the study's findings, SMEs in the Katsina senatorial zone performed worse when their transportation costs increased as a result of the removal of the fuel subsidy; SMEs in the same geographic area performed worse when their consumer purchasing power decreased as a result of the removal of the subsidy; and SMEs in the Katsina senatorial zone performed worse when their raw material costs increased as a result of the removal of the subsidy.

Using the Kruskal Wallis test, Goddey, Iheagwara, and Otu (2014) examined how the elimination of fuel subsidies affected the performance of small businesses in South-East Nigeria. The study discovered that eliminating gasoline subsidies significantly affects both the market performance and the financial performance of small enterprises in Nigeria.

Using the discourse analysis methodology, Ozili and Obiora (2023) examined the effects of Nigeria's 2023 gasoline subsidy elimination. The study discovered that the elimination of fuel subsidies has a number of detrimental effects, including a short-term slowdown in economic growth, a rise in inflation, poverty, fuel smuggling, crime, and the loss of jobs in the unorganized sector.

The effect of eliminating fuel subsidies on Nigeria's economic growth was investigated by Afolabi et al. (2017). According to the authors, Nigeria's economy grew significantly once fuel subsidies were eliminated. According to the study, when the subsidy was eliminated, corporate expenses decreased, which boosted investment and spurred economic expansion.

Iwuchukwu and Nwankwo (2017) looked into how the elimination of fuel subsidies affected small and medium-sized businesses in Nigeria and discovered that their businesses benefited from the removal of fuel subsidies. According to the study, SMEs' profitability increased as a result of lower production and transportation costs brought about by the subsidy ending. Alade (2017) assessed how the elimination of fuel subsidies affected the Nigerian economy and discovered that it had a favorable effect. According to the study, when the subsidy was eliminated, the government's budget deficit shrank, which boosted investment and spurred economic expansion.

2.3 Theoretical framework

The resource recourse theory serves as the theoretical foundation for this study. According to the resource curse theory, nations that rely heavily on a single natural resource, like oil, may experience negative economic outcomes because of things like unstable commodity prices, corruption, and a lack of economic diversification (Auty, 1993). In Nigeria's case, the elimination of fuel subsidies may be seen as an effort to lessen reliance on oil revenue, with the government reallocating funds to non-oil sectors in an effort to diversify the economy and lessen the negative effects of fluctuations in oil prices. However, if the shift away from oil is not handled well, it may be difficult to absorb the displaced labor force, low productivity in new sectors, and make it harder to attract investment. Thus,

eliminating fuel subsidies is in line with the objective of economic diversification; yet, its success depends on all-encompassing plans that guarantee steady growth in industries other than oil.

2.4 Summary of literature review and research gap

According to our understanding of previous research, no author has conducted any study on how the elimination of petroleum subsidies affects the performance of micro and small businesses in Cross River State, Nigeria. Therefore, by examining the impact of eliminating petroleum subsidies on the performance of micro and small businesses in Cross River State, Nigeria, this study will try to fill the gap.

3. METHODOLOGY

The survey research approach was used in this study to determine how the elimination of petroleum subsidies affected the performance of micro and small businesses in Cross River State. Cross River State's Calabar Metropolis is the research area. The target group consists of 150 owner-managers of micro and small businesses that are registered in the Cross River State local government areas of Calabar Municipality and Calabar South. 150 owners and managers of micro and small businesses in the Cross River State local government areas of Calabar Municipality and Calabar South make up the study's sample size. In this study, the sample strategy used was the purposeful sampling method. This technique gives a researcher the opportunity to exercise discretion in selecting respondents who are thought to be representative of the population. This was chosen because it allows researchers to learn a great deal from the data they collect, which in turn allows them to explain the significant influence their results have on the population under investigation. In order to choose the sample, the researcher utilized his discretion based on observable population features. The main instrument used for data collection was the questionnaire. This instrument was constructed by the researcher using a 3-point likert scale with responses ranging from: Strongly Agree, Agree and Disagree. The data for this research was analyzed with the chi-square statistical technique.

4. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Presentation of Data

TABLE 4.1:
Summary of respondents

Questionnaire	Responses	Total	Percentage (%)
Number of questionnaires returned	138	138	92.0
Number of questionnaires Not returned	12	12	8.0
Total	150	150	100

Source: Field survey by the Author, 2024

From table 4.1 one hundred and fifty (150) questionnaires were administered to respondents and out of this number, 138 questionnaires were returned while 12 questionnaires were not returned. The total number of questionnaires returned was 138 representing 92.0 per cent while the total number of questionnaires not returned were 12, representing 8.0 per cent of the respondents who did not return their questionnaire.

Responses to objective one: To investigate the effect of fuel subsidy removal on the profits of micro and small enterprises in Cross River State.

Table4.2:

Item 7:My profits has decline due to high cost of raw materials

Responses	No. of respondents	Percentage (%)
Strongly Agree	71	51.4
Agree	47	34.1
Disagree	20	14.5
Total	138	100

Source: Field Survey by researcher, 2024 (responses to question 7, Section B)

Table4.3:

Item 8:My profits has reduced due to low patronage

Responses	No. of respondents	Percentage (%)
Strongly Agree	62	44.9
Agree	36	26.1
Disagree	40	29.0
Total	138	100

Source: Field Survey by researcher, 2024 (responses to question 8, Section B)

For question 7 (Table 4.2) a total of 62 respondents representing 44.9 per cent strongly agreed to the questions raised, a total of 36 respondents representing 26.1 per cent agreed while a total of 40 respondents representing 29.0 per cent disagreed to the questions raised. For question 8 (Table 4.3), a total of 62 respondents representing 44.9 per cent strongly agreed to the question raised, a total of 36 respondents representing 26.1 per cent agreed while 40 respondents representing 29.0 per cent disagreed to the question raised.

Responses to objective two: To evaluate the effects of fuel subsidy removal on the sales of micro and small enterprises in Cross River State.

Table4.4:

Item 9:There is growth in the sales of my business due to fuel subsidy removal

Responses	No. of respondents	Percentage (%)
Strongly Agree	60	43.5
Agree	35	25.4
Disagree	43	31.1
Total	138	100

Source: Field Survey by researcher, 2024 (responses to question 9, Section C)

Table4.5:

Item 10:The reduction in purchasing power has reduced my business sales

Responses	No. of respondents	Percentage (%)
Strongly Agree	40	29.0
Agree	38	27.5
Disagree	60	43.5
Total	138	100

Source: Field Survey by researcher, 2024 (responses to question 10, Section C)

For question 9 (Table 4.4) a total of 60 respondents representing 43.5 per cent strongly agreed to the questions raised, a total of 35 respondents representing 25.4 percent agreed while a total of 43 respondents representing 31.1 per cent disagreed to the questions raised.

For question 10 (Table 4.5), a total of 40 respondents representing 29.0 per cent strongly agreed to the question raised, a total of 38 respondents representing 27.5 per cent agreed while 60 respondents representing 43.5 per cent disagreed to the question raised.

Responses to objective three:To ascertain the effect of fuel subsidy removal on employment of persons living with disabilities by micro and small enterprises

Table4.6:

Item 11: High cost of raw materials has reduced my employment growth especially for those with disabilities

Responses	No. of respondents	Percentage (%)
Strongly Agree	50	36.2
Agree	47	34.1
Disagree	41	29.7
Total	138	100

Source: Field Survey by researcher, 2024 (responses to question 11, Section D)

Table4.7:

Item 12: I cannot recruit because of low sales and profit

Responses	No. of respondents	Percentage (%)
Strongly Agree	58	42.0
Agree	60	43.5
Disagree	20	14.5
Total	276	100

Source: Field Survey by researcher, 2024 (responses to question 12, Section D)

For question 11 (Table 4.6), a total of 50 respondents representing 36.2 per cent strongly agreed to the question raised, a total of 47 respondents representing 34.1 per cent agreed while 41 respondents representing 29.7 per cent disagreed to the question raised. For question 12 (Table 4.7), a total of 58 people who filled the questionnaires representing 42.0 per cent strongly agreed to the question raised, a total of 60 respondents representing 43.5 per cent

agreed while 20 respondents representing 14.5 per cent disagreed to the question raised.

Responses to objective four: To investigate the effect of fuel subsidy removal on market share of micro and small enterprises

Table4.8:

Item 13:My business has an adequate market share

Responses	No. of respondents	Percentage (%)
Strongly Agree	31	22.5
Agree	27	19.5
Disagree	80	58.0
Total	138	100

Source: Field Survey by researcher, 2024 (responses to question 13, Section E)

Table4.9:

Item 14:The level of my business market share has reduced as a result of fuel subsidy removal

Responses	No. of respondents	Percentage (%)
Strongly Agree	48	34.8
Agree	40	29.0
Disagree	50	36.2
Total	276	100

Source: Field Survey by researcher, 2024 (responses to question 14, Section E)

For question 13 (Table 4.8), a total of 31 respondents representing 45.2 per cent agreed to the question raised, a total of 27 respondents representing 19.5 per cent agreed while 80 respondents representing 58.0 per cent disagreed to the question raised. For question 14 (Table 4.9), a total of 48 people who filled the questionnaires representing 34.8 per cent agreed to the question raised, a total of 40 respondents representing 29.0 per cent agreed while 50 respondents representing 36.2 per cent disagreed to the question raised.

4.2 Results and Tests of Hypotheses

Figure 1

Summary of Chi-square computation to show if there is a significant effect between fuel subsidy removal and profit of micro and small enterprises in Cross River State.

Test Statistics

	Fuel subsidy removal and profit of micro and small enterprises in Cross River State.
Chi-Square	170.493 ^a
Df	14
Asymp. Sig.	.000

Source: Field work, 2024

From figure 1 above, it can be observed that since the chi-square calculated value of 170.493 is greater than the table value of 23.68 at 14 degree of freedom and the

p-value of 0.000 is greater than 0.05 chosen significance level. We therefore reject the null hypothesis which states that there is no significant effect of fuel subsidy removal on the profit of micro and small enterprises in Cross River State and concluded that there is a significant effect of fuel subsidy removal on the profit of micro and small enterprises in Cross River State. This result implies that the fuel subsidy removal significantly affected the profits of micro and small enterprises in Cross River State, Nigeria.

Figure 2

Summary of Chi-square computation to show if there is a significant effect between fuel subsidy removal and sales of micro and small enterprises in Cross River State.

Test Statistics

	Fuel subsidy removal and sales of micro and small enterprises in Cross River State.
Chi-Square	205.611 ^a
Df	12
Asymp. Sig.	.000

Source: Field work, 2024

From figure 4.2 above, it can be observed that since the chi-square calculated value of 205.611 is greater than the table value of 21.03 at 12 degree of freedom and the p-value of 0.000 is greater than 0.05 chosen significance level. We therefore reject the null hypothesis which states that there is no significant effect of fuel subsidy removal on the sales of micro and small enterprises in Cross River State and concluded that there is a significant effect of fuel subsidy removal on the sales of micro and small enterprises in Cross River State. This result implies that the fuel subsidy removal significantly affected the sales of micro and small enterprises in Cross River State, Nigeria.

Figure 3

Summary of Chi-square computation to show if there is a significant effect between fuel subsidy removal and employment of persons living with disabilities by micro and small enterprises in Cross River State.

Test Statistics

	Fuel subsidy removal and employment of persons living with disabilities by micro and small enterprises in Cross River State.
Chi-Square	224.014 ^a
Df	15
Asymp. Sig.	.000

Source: Field work, 2024

From figure 3 above, it can be observed that since the chi-square calculated value of 224.014 is greater than the table value of 25.00 at 15 degree of freedom and the p-value of 0.000 is greater than 0.05 chosen significance level. We therefore reject the null

hypothesis which states that there is no significant effect of fuel subsidy removal on the employment of persons living with disabilities by micro and small enterprises in Cross River State and concluded that there is a significant effect of fuel subsidy removal on the employment of persons living with disabilities by micro and small enterprises in Cross River State. This result implies that the fuel subsidy removal has affected significantly the employment of persons living with disabilities by micro and small enterprises in Cross River State.

Figure 4
Summary of Chi-square computation to show if there is a significant effect between fuel subsidy removal and market share of micro and small enterprises in Cross River State.

Test Statistics	
	Fuel subsidy removal and market share of micro and small enterprises in Cross River State.
Chi-Square	185.370 ^a
Df	14
Asymp. Sig.	.000

Source: Field work, 2024

From figure 4 above, it can be observed that since the chi-square calculated value of 185.370 is greater than the table value of 23.68 at 14 degree of freedom and the p-value of 0.000 is greater than 0.05 chosen significance level. We therefore reject the null hypothesis which states that there is no significant effect of fuel subsidy removal on the market share of micro and small enterprises in Cross River State and concluded that there is a significant effect of fuel subsidy removal on the market share of micro and small enterprises in Cross River State. This result implies that the fuel subsidy removal significantly affected the market share of micro and small enterprises in Cross River State, Nigeria.

4.3 Discussions of findings

From the Chi-square result, the fuel subsidy removal has a significant effect on the profits of MSEs in Cross River State. This finding is consistent with the finding of Ilodigwe (2023) whose finding indicated that increase in transportation cost due to fuel subsidy removal leads to reduction in the profits of micro and small enterprises. This outcome might be due to the fact that the high costs of transportation expenses has led to increase in costs of materials, hence, limiting the purchase of adequate raw materials and reduced productions of micro and small enterprises hence leading to decline in their profits. This imply that increase in transportation cost due to fuel subsidy removal has not boosted the profits of micro and small enterprises in Cross River State.

Also, from the chi-square result, fuel subsidy removal has a significant effect on the sales of MSEs in

Cross River State. This finding do not conforms to the findings of Ilodigwe (2023) and that of Dodo, Salisu and Isiyaku (2024). This finding could be due to the decrease in consumer purchasing power since much money is being spent on transport fares by the populace thereby limiting their purchasing power, hence affecting the sales of micro and small enterprises in Cross River State.

Furthermore, from the chi-square result, fuel subsidy removal has a significant effect on the employment of people living with disabilities by micro and small enterprises in Cross River State. This results is consistent with the result of Ozili and Obiora (2023) which affirmed that fuel subsidy removal leads to job loss. This outcome may be due to the reduction in the sales and profits which hinders business expansion, hence employment.

Finally, from the Chi-square result, the fuel subsidy removal has a significant effect on the market share of MSEs in Cross River State. This finding is consistent with the finding of Goddey, Iheagwara and Otu (2014) whose finding indicated that the fuel subsidy removal has resulted to decline in market performance in micro and small enterprises. This outcome might be due to the fact that the high costs of transportation expenses has led to increase in costs of materials, hence, limiting the purchase of adequate raw materials to produce more outputs for sales in many markets and places.

5. SUMMARY, CONCLUSION AND POLICY RECOMMENDATIONS

Conclusion

Fuel subsidies have been an important issue in Nigeria for many years. On this premise, this present study assessed the effect of petroleum subsidy removal on the performance of micro and small enterprises in Anambra State, Nigeria. From the findings of the study, it is concluded that the fuel subsidy removal has a significant effect on the profits of MSEs in Anambra State, fuel subsidy removal has a significant effect on the sales of MSEs in Anambra State, fuel subsidy removal has a significant effect on the employment of people living with disabilities by micro and small enterprises in Anambra State and fuel subsidy removal has a significant effect on the market share of MSEs in Anambra State.

Policy recommendations

Based on these research findings, the following recommendations are made:

The government of Cross River State should step in and offer subsidized transportation options in order to lower the high cost of transportation in the state. This will significantly improve the performance of micro and small businesses in the state. Moreover, a public-private partnership should be established in the state's transportation sector to facilitate the flow of people, products, and services throughout the state. Additionally, in order to prevent constant price increases, Cross River State should limit the prices of products and services. Lastly, a good road network should be built, particularly in rural areas, and the state's existing highways should be maintained to provide for simple mobility.

References

- Adenikinju, A. (2009). Oil price shocks, fuel subsidies and macroeconomic performance in Nigeria. *Energy Policy*, 37(11), 4747-4756.
- Adeniran, A. O. (2016). Effects of fuel subsidy on transport costs and transport rates in Nigeria. *Journal of Energy Technologies and Policy*, 6(11), 1-9.
- Adewumi, O. A., Adewuyi, A. A., & Adegbite, O. O. (2018). The effect of fuel subsidy removal on small and medium-sized enterprises in Nigeria. *Journal of Business Management and Economics*, 7(2), 1-12.
- Afolabi, A. A., Oseni, O. O., & Ogundele, O. O. (2017). The impact of fuel subsidy removal on economic growth in Nigeria. *Journal of Economics and Sustainable Development*, 8(1), 1-10.
- Alade, S. O. (2017). The impact of fuel subsidy removal on the Nigerian economy." *Journal of Economics and Sustainable Development*, 8(1), 23-32.
- Alemika, E. E., & Aiyede, R. (2012). Impact of corruption on economic growth in Nigeria. *Journal of Sustainable Development*, 5(2), 42-50.
- Auty, R. M. (1993). *Sustaining Development in Mineral Economies: The Resource Curse Thesis*. Routledge.
- Darlington, N. & Monday, T. (2023). Price unleashed: examining the ripple effects of petroleum subsidy removal on consumer buying behavior in Nigeria (systematic literature review). *International Journal of Advanced Academic and Educational Research*, 13(7), 40-51
<https://projectclue1.medium.com/subsidy-removal-and-how-it-affects-academic-research-in-nigeria-dddf415e33e8>. Subsidy removal and how it affects academic research in Nigeria by project clue\2\June, 2023\medium
- Dodo, F., I., Salisu, M. & Isiyaku, M. (2024). Assessing the Impact of Petroleum Subsidy Removal on the Performance of Small and Medium Scale Enterprises in Katsina Senatorial Zone. *International Journal of Research Publication and Reviews*, 5(4), 3539-3546
- Goddey, C., Iheagwara, A. & Otu, O. (2014). Non-Parametric Analysis on the Effects of Fuel Subsidy Removal on Small Business Performance in South-East Nigeria. *The International Journal of Business & Management*, 1, 81-91.
- Ilodigwe, A. O. (2023). Fuel Subsidy Removal and Its Negative Impact on Small and Medium Scale Enterprises. *Journal of Education, Humanities, Management & Social Sciences (JEHMSS)*, 25 – 35.
- Iroanusi, Q. (2021). Despite PIA, proposed deregulation, Nigerian govt to spend N900m for subsidy in 2022. Premium Times. Accessed on 03 October 2023 from <https://www.premiumtimesng.com/news/headlines/482751-despite-pia-proposed-deregulation-nigerian-govt-to-spend-n900m-for-subsidy-in-2022.html?tztc=1>
- Iwuchukwu, C., & Nwankwo, I. (2017). "The effects of fuel subsidy removal on small and medium scale enterprises in Nigeria." *Journal of Economics and Sustainable Development*, 8(6), 115-123.
- KPMG. (2023). Removing Nigeria's PMS Fuel Subsidies - KPMG Nigeria. [online]. Accessed on 03 October 2023 from <https://kpmg.com/ng/en/home/insights/2023/06/removing-nigeria-pms-fuel-subsidies.html>
- McCulloch, N., Moerenhout, T. and Yang, J. (2021). Fuel subsidy reform and the social contract in Nigeria: A micro-economic analysis. *Energy Policy*, [online] 156.
- Ohonba, N. & Ogbeide, S., O. (2023). Premium Motor Spirit (PMS) Subsidy Removal and Implications on Businesses and Economy in Nigeria. *African Development Finance Journal*. 6(2), 133- 147
- Omosho, J. A. (2015). The political economy of fuel subsidy removal in Nigeria. *Journal of Sustainable Development in Africa*, 17(4), 185-202.
- Ozili, P. K. & Obiora, K. (2023). Implications of Fuel Subsidy Removal on the Nigerian Economy: Public Policy's Role in Achieving Sustainable Development Goals, 2023, Available at SSRN: <https://ssrn.com/abstract=4535876> or <http://dx.doi.org/10.2139/ssrn.4535876>.
- SMEDAN. (2013). Smedan and national bureau of statistics collaborative survey : Selected findings. Abuja, Nigeria.