

Impact of Subsidy Removal on Christians Religious Institutions in Nigeria

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Abstract

May, 29, 2023, the newly elected president of Nigeria announced the removal of petroleum subsidy. This announcement led to general increment in prices of goods and services across the country. The impact of the fuel subsidy removal was felt by all institutions including religious institutions which are mostly affected. This paper assess the impact of subsidy removal on Christian's religious institutions in Nigeria. Secondary data were used. The data were collected from print and online publications. The paper concluded that impact of subsidy removal on Christian's religious institutions in Nigeria include; increment in operational cost of conducting services, increment in cost of evangelism, reduction in number of worshiper in services, reduction in invitation of external guest speakers, reduction in number of conference attendants, reduction in Christian's religious institutions income and suspension of projects and programme. Based on this impact identified, the paper recommended that government at every levels should include Christian's religious institutions in the sharing of their palliative programmes

Keywords: Impact, Christians Religions Institutions, Subsidy Removal.

Introduction

According to Oxford Advanced Learners Dictionary (1990), subsidy is defined as “the money that is paid by a government or organization to reduce the cost of services or of producing goods so that their prices can be kept low” A subsidy is a policy adopts by an institutions or government to reduce prices of goods for an individual's or a firm by paying part of the production cost. A subsidy is an official payment on goods for an individual or a firm usually in the form of a cash payment from the government to reduce to prices of goods. In economic theory, subsidies can be used to offset market failures and externalities to achieve greater economic efficiency (Ogunode & Aregbesola, 2023). According to project clue (2023) subsidy is a decrease in the market price of products and services by the government so that people with limited purchasing power can obtain such goods and services. It occurs when the government assists customers in paying a price that is lower than the market price for consumer products. A subsidy is any measure that keeps prices consumers pay for good or product below market levels for consumers or for producers above market. Subsidies take different forms. Some subsidies have a direct impact on price. These include grants, tax reductions and exemptions or price controls (Adebiyi, 2011).

The essence of having subsidy in place according to Nwaoga & Casimir (2013) for products and services is that it has direct positive impact on poverty reduction in the lives of the poor masses who could ill afford high prices in the light of the harsh conditions under which developing countries are reeling under globalization. Many subsidies are made by the government in form of subventions to aid some businesses, produce essential commodities that would other-wise reduce prices that are patently unaffordable. In some developing countries like Nigeria, which has a mono-economy; petroleum is the main stay of foreign exchange.

In Nigeria, the issue of appropriate pricing of petroleum product has always been a thorny controversial government policy issue for the past 30 years. Successive governments from 1999 since the returned of democracy have tried to removal subsidies on petroleum products. In 2023, the federal government led by President Bola Ahmed Tinubu announced the removal of subsidy on Premium Motor Spirit (PMS), popularly known as petrol. In its reaction to the new development, the Nigerian National Petroleum Company Limited (NNPCL) on approved an upward review in the pump price of petroleum nationwide.

This resulted to increment in the price up to an average of N500 from average of N189. Ogunode et al (2023) defined subsidy removal as an official elimination of subsidy on products formerly subsidized. Subsidy removal is the decision of government or institutions to stop payment of subsidy on products or services previously subsidized. Subsidy removal is the stoppage of subsidy regime in an institutions or country. Subsidy removal is the policy of liberating the prices of goods and service to be regulated by forces of demand and supply (Ogunode et al, 2023). The removal of subsidies has affected both public and private institutions. Financial institutions, health institutions, religious institutions, political institutions, tourism sector, judiciary and educational institutions have been affected. It is imperative to examine the impact of subsidy removal on Christian's religious institutions in Nigeria.

Concept of Religion and Christians Religious Institutions

Religion is defined as consisting of institutionalized systems of beliefs, values and symbolic practices which provide groups of men with solutions to their question of ultimate meaning - death, difficulties, suffering, etc. (Glock and Stark in wefinder 2022). Religion is also defined religion as the attempt to bring the relative, the temporary, and the painful things of life into relation with what is conceived to be permanent, absolute and cosmically optimistic Milton in wefinder (2022)). Religion is a universal human institution. It entails a set of basic beliefs and ritualistic practices. These beliefs and practices however vary from one religious organization to another and responsible for the multiplication of religious organizations in society. Religious practices and thoughts are often associated with descriptions such as power, invisible, mighty, all-pervasive omnipresent, omniscient, omnipotent, mysterious, miraculous, super-natural and everlasting being. There is a belief that God who is worshiped through religion does good things only. There is also a belief that God can do evil to those who violate his rules.

Religion fulfills certain universal functions which include:

1. The explanation of the unknown and irregular physical occurrences e.g. flood, earthquakes, drought, lightening, etc.
2. The justification of human existence by stating the nature and role of man in terms of super-natural design.
3. Promotion of group solidarity as religion is a cultural possession.
4. The celebration of human achievement. That is, most rituals are connected with some crucial periods in the society. Examples are puberty, planting of crops, harvest, etc.
5. Strengthening of moral order and promotion of social control.

6. Support for other social organizations and institutions, e.g. schools, hospital, welfare agencies, etc.
7. The rationalization of individual suffering in the material world thereby making such suffering bearable (Ekong in wefinder 2022).

There are three major forms of religion in Nigeria namely, Christianity, Islam (Mohammedanism) and the traditional religion.

Christianity

Christianity was introduced during the period of colonialism, first into the southern part of the country. Today it has spread to many other parts of the country. However, there is a larger concentration of Christians in the south than in the northern states. Different Christian denominations have been introduced from Europe and the United States. These are the Catholic, Anglican, Methodist, Baptist, the Christ Apostolic Church and the Apostolic Faith. Several indigenous church denominations have been formed also (wefinder 2022).

Some of these are the African Church, the African Methodist Church, Church of the Lord Aladura, the Cherubim and Seraphim Church, and the Celestial Church of Christ. Some other new Churches introduced are the Redeemed Christian Church of God, the Students Christian Movement and the Four Square Gospel Church. The old denominations and the indigenous groups are more common in rural areas than the new introductions which are largely restricted to the urban areas. The rural branches of the denominations are frequently accountable to the church district and their urban parent bodies. In small towns and cities, the church continues to attract massive followers (wefinder 2022).

Impact of Subsidy Removal on Christians Religious Institutions in Nigeria

The impact of subsidy removal on Christians religious institutions in Nigeria include; increment in operational cost of conducting services, increment in cost of evangelism, reduction in number of worshiper in services, reduction in invitation of external guest speakers, reduction in number of conference attendants, reduction in Christian's religious institutions income and suspension of projects and programme.

Increment in Operational Cost of Conducting Services

Subsidy removal in Nigeria have led to increment in operational cost of conducting services in all Christian's religious institutions across the country. Christian's religious i institutions are known for holding services every Sunday, midweek services, Bible studies and Night vigil every Friday or ends of every month. Due to unstable power supply, most of these Christian's religions institutions depend on fuel or diesel to power their services. The Nigerian government have remove subsidies on both the fuel and diesel which have led to increment in the prices of the two products commonly used in conducting services in most Christian's religious i institutions. The removal of subsidies on tis two products have led to increment in the operational cost of conducting any religious services across the country. Femi (2023) asserted that most Christian's religious institutions especially the local churches nope spend almost what they realized on buying fuels and diesel to power their services. Ayinde (2023) lamented that subsidy removal in Nigeria have affected local churches and making most of the local churches to operate in a deficit financially.

Increment in Cost of Evangelism

Subsidy removal on fuel in Nigeria have led to increment in cost of carrying out evangelical activities among the missionaries in rural areas. Christian's religious institutions in Nigeria that operate missions in rural areas now spend more money to carry out evangelical activities as a result of removal of fuel subsidy. Most missionaries in rural and communities across Nigeria depend on fuel to power their motor bicycle which is the most common means of transportation for missionaries in the fields. Femi (2023) noted that one of the effect of subsidy removal is the increase in public and private transportation costs. The removal of subsidies, pushes fuel prices to

rise which directly and indirectly impact transportation fares. Missionaries, Pastors and evangelists will need to spend more for their daily travel from villages to villages.

Reduction in Number of Worshiper in Services

The number of worshiper in most Christian's religious institutions have reduce as a result of subsidy removal. The removal of subsidy on petrol led to increment in transportation fares across the country. Most Christian's religious institutions worshiper depends on private and public transportation means such as motor cycle bikes, taxis and buses to move them to their respective place of worship Femi (2023) noted that many Christian' worshiper depend on public transport or private vehicles to get to school, which have become more expensive due to the higher cost of fuel. Some worshiper may have to stop coming to church or miss services if they cannot afford the transportation fares. Transportation fares have tripled both within and between major cities in Nigeria (Ayeyemi, 2023). Darlington & Monday (2023) concluded that one notable effect of subsidy removal is the surge in transportation costs. With the removal of subsidies, fuel prices rise, directly impacting public transportation fares. Commuters now face higher expenses for their daily travel, influencing their budgeting decisions. Consequently, consumers may opt for alternative modes of transportation or adjust their commuting habits. Church programmes both in and outside the country were highly minimized, because of the hike in transportation and insecurity in the country. Indirectly, the fuel subsidy removal affected people's faith and beliefs.

Reduction in Invitation of External Guest Speakers

Many resident Pastors of Christian's religious institutions have reduce the number of invited Guest Speaker normally used to invite to preach on a special programme like Youth day, Women's; day and Father's day, revival, retreat and Sunday service due to increment in transportation cost of moving the resources person to the church and increase in the cost of accommodating them. Most pastors now look at inviting fellow pastor within the same community and ignore invitation of external guest speaker. Ayinde (2023) submitted that subsidy removal in Nigerian have affected many spiritual programme and have implication on spiritual development.

Reduction in Number of Conference Attendants

Subsidy removal on fuel in Nigeria have led to reduction in number of Christian faithful attendants to state conference or international conferences within Nigeria. Christian's religions institutions are known for organizing conferences, synod, retreat and service of suns annually. These programme are organized for members to attend from other branches across the country or outside the country. Members within Nigeria depend on public or private facilities to move to the hosting state. The removal of subsidy have led to increment in transportation fares which majorities cannot afford it. Darlington & Monday (2023) maintained that the removal of fuel subsidies can impact the travel and tourism industry as well. Higher fuel costs may lead to increased airfare, transportation fees, and accommodation expenses. As a result, consumers may reconsider their travel plans, opt for shorter trips, or seek alternative destinations that offer more affordable options. This shift in consumer behavior can influence the overall performance of the tourism sector. Nwaoga & Casimir (2013) maintained that aside the major pilgrimage visits to Mecca and Jerusalem, there abound numerous local pilgrimage centers. According to Wikipedia, Pilgrimage centers are places where people meet to pray in group to strengthen their religious consciousness. Examples of these pilgrimages include: Fr. Edeh's Monthly pilgrimages at Elele, River State. Fr. Mbaka's weekly Adoration in Enugu, the Pastor David Oyedepo's yearly winners Convention in Ogun State, Conference experience in Lagos, Rev fr Obayi's Friday prayers etc. The expenditure people undertake to feature in these activities is so much that the incidence of fuel price hike will make it much more exorbitant, thus dissuading people from participating. As a result, the noble function of faith strengthening which pilgrimages perform is lost to the occasioned by the removal of fuel subsidy.

Reduction in Christian's Religious Institutions Income

Subsidy removal in Nigeria has led to reduction in income of many Christian's religious institutions across the country. Removal of subsidies on petrol led to increase in transportation

cost and general goods and services. People now spend more money on transportation and on consumer products which directly or indirectly reduce their savings and increase expenditures on social and spiritual investment like giving offering and paying tithe in the church. Nwaoga, et al (2013) noted that the Church is not a business enterprise. According to CBN- EDC resource material (2009), a business enterprise is defined as an operating entity within a business environment aimed at making profit, gain from buying and selling of goods and services rendered. From the above definition, the Church is only maintained from offerings, tithes from Church members, Churches are not supported by the Government. Attendance of church members was affected because of the fuel price hike, the impact of these was felt in almost all the churches. The removal of subsidy has led to a reduction in offerings and tithes, which has affected the welfare of churches. Therefore, the aforementioned socio- religious effects have impacted negatively affected church activities in the country.

Suspension of Projects and Programmes

Removal of subsidy in Nigeria has led to increment in fuel price and which has reduced peoples spending, impacting negatively on churches' income and revenue. The reduction in churches' income and revenue has affected many capital projects of the churches and programme. One notable effect of subsidy removal on the people is that it has reduced savings and investment and peoples' giving. Nwaoga, et al (2013) observed that most of the so called "mushroom" Pentecostal churches, especially those at their infant stage will lose down completely or be affected adversely, lose some or most of its members as a result of the socio-political cum economic effects of this subsidy. Many religious (church) programmes will either stop or be greatly affected due to its economic consequences, hence inability to raise funds for its projects. The former chairman of the Nigerian Institution of Estate Surveyors and Valuers (NIESV), FCT chapter, Adamu Kasimu, as reported by leadership newspaper of 5th June, 2023 noted that the recent abrupt removal of subsidy on petrol will trigger increase in the cost of building materials and construction. He noted that the removal of subsidy implies that prices of petroleum products, particularly, PMS would be determined by market forces. This policy might generally lead to increased costs of construction in terms of labour and petroleum related materials input cost. Darlington et al (2023) concluded that subsidy removal also impacts the cost of manufacturing and distributing consumer goods. The increased fuel prices result in higher production costs and transportation fees, which are often passed on to the consumers. Consequently, individuals may exhibit changed buying behavior by being more selective with their purchases, opting for essential items, or seeking out cheaper alternatives.

Recommendations and Conclusion

This paper assess the impact of subsidy removal on Christian's religious institutions in Nigeria. The paper concluded that impact of subsidy removal on Christian's religious institutions in Nigeria have led to increment in operational cost of conducting services, increment in cost of evangelism, reduction in number of worshipers in services, reduction in invitation of external guest speakers, reduction in number of conference attendants, reduction in Christian's religious institutions income and suspension of projects and programme. Based on these findings, the paper recommended that:

1. Government at every level should include Christian religious institutions in their palliative programme.
2. Mega Christian religious institutions in Nigeria embrace time management to reduce amount of fuel consumption.
3. The government should also provide a functional railway for its citizens. This will aid movement. Government should fix or repair all rundown refineries and bringing an end to the senseless system of importing 85% of the oil needed for its own domestic consumption.
4. The government should increase salaries of civil-servants to raise their standard of living.
5. Government should subsidize buses for Christian religious institutions to enable them own their buses and use them to convey their members to Church.

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