UNIOFFA JOURNAL OF INTERDISCIPLINARY STUDIES (U-OJIS)
A Multidisciplinary Journal of Science, Management and Social Sciences
Website: www.unioffajis.com
ISSN:3141-5571
E-ISSN:3141-558X

PUBLIC POLICY AND COST OF LIVING CRISIS IN NIGERIA: A CASE STUDY OF ABUJA MUNICIPAL AREA COUNCIL

Ndagi Mas'ud Kabir
Isa Mustapha Agwai 1 Polytechnic, Lafia
Public Administration
ndagimasud@gmail.com
08068898787

Zhebago, Emmanuel Peter
Isa Mustapha Agwai 1 Polytechnic, Lafia
Public Administration
zhebagoacademy2022sgm@gmail.com
08167885361

Seidu Ayema
Federal University of Lafia
Political Science
ayemaseidu2016@gmail.com
08055195733

Volume 1:2

Abstract
Rising inflation and the escalating cost of basic necessities, including food, housing, transportation, and healthcare, have intensified concerns over the adequacy of government interventions in the Abuja Municipal Area Council (AMAC). Despite existing policy measures, residents continue to face significant economic strain, prompting this study to evaluate the effectiveness of public policy responses, particularly inflation control mechanisms and social welfare initiatives, in mitigating the cost of living crisis in AMAC. The research draws on Public Choice Theory and Keynesian Economic Theory as its theoretical foundation. Employing a mixed-methods design, the study combined structured questionnaires with key informant interviews. From a population of 1,800 residents and civil servants across selected AMAC districts, 400 respondents were selected using stratified random sampling, yielding 370 valid questionnaires alongside 10 key informant interviews. Quantitative data were analysed through descriptive statistics (mean and standard deviation) and chi-square testing using SPSS version 25, while thematic analysis was applied to qualitative responses. Results showed that residents perceived price control measures, welfare targeting, and central bank monetary interventions as largely ineffective, while strongly agreeing that living costs had worsened markedly over three years, attributed chiefly to fuel subsidy removal and currency devaluation. The chi-square analysis revealed a statistically significant association between policy interventions and cost of living outcomes. Interview data reinforced these findings, pointing to implementation failures, elite capture of welfare schemes, and fiscal limitations as key obstacles. The study concludes that current policy tools remain inadequate and calls for transparent, inclusive, evidence-based social protection strategies targeting AMAC's most vulnerable populations.

Keywords: public policy, cost of living crisis, inflation control measures, social welfare response, Abuja Municipal Area Council

Introduction

The cost of living crisis has emerged as one of the most pressing socioeconomic challenges confronting developing nations in the twenty-first century. Defined as a sustained decline in the real purchasing power of households arising from price levels of goods and services outpacing income growth, the cost of living crisis poses a fundamental threat to poverty reduction efforts, social cohesion, and

ISSN:3141-5571
E-ISSN:3141-558X

macroeconomic stability (World Bank, 2023; International Monetary Fund [IMF], 2023). Governments across the globe have responded to this challenge through a combination of inflation control measures, including monetary policy adjustments, price stabilisation programmes, and subsidy regimes, alongside social welfare responses such as conditional cash transfers, food distribution initiatives, and targeted income support schemes (Lustig, 2020; United Nations Development Programme [UNDP], 2023). The effectiveness of these policy instruments, however, varies considerably based on institutional capacity, political economy dynamics, and the structural characteristics of individual economies.

Nigeria presents a particularly acute case of the cost of living crisis. Since 2022, Nigeria's consumer price index has recorded unprecedented inflationary surges, with headline inflation rising from 17.71% in January 2022 to 28.92% in December 2023 before accelerating further to 33.95% by March 2024 according to the National Bureau of Statistics (NBS, 2024). The removal of the longstanding petrol subsidy in May 2023, which had artificially suppressed domestic fuel prices, triggered a cascading increase in the cost of transportation, food production, and distribution. Simultaneously, the Central Bank of Nigeria's (CBN) policy-driven devaluation of the naira compressed the purchasing power of the domestic currency and elevated import costs, contributing further to price pressures on everyday commodities. These compounded shocks disproportionately affected urban low- and middle-income households who are dependent on market-purchased goods and services (Okonkwo & Adeyemi, 2023; Stanbic IBTC, 2023).

The federal government of Nigeria responded to these economic pressures through a series of fiscal and monetary policy interventions. On the fiscal side, the government announced palliative packages, including one-time cash transfers, food commodity distributions, and CNG bus schemes, under the Accelerated Stabilisation and Advancement Plan (ASAP). On the monetary side, the CBN pursued an aggressive rate-hiking cycle, raising the Monetary Policy Rate (MPR) from 11.5% in early 2022 to 24.75% by March 2024, with the aim of anchoring inflation expectations and stabilising the naira (CBN, 2024). Additionally, the National Social Safety Net Programme (NSSNP), which targets the poorest and most vulnerable Nigerians through conditional cash transfers, has been expanded as part of the federal government's broader social protection strategy (Federal Ministry of Finance, Budget and National Planning [FMFBNP], 2023). The effectiveness of these combined interventions in ameliorating the cost of living for ordinary Nigerians, particularly in urban centres, remains empirically disputed.

The Abuja Municipal Area Council (AMAC) occupies a unique and paradoxical position within this national crisis. As the local government area (LGA) that encompasses the urban core of the Federal Capital Territory (FCT), AMAC is home to a large and diverse population of federal civil servants, professionals, traders, artisans, students, and low-income workers. The capital city effect, characterised by above-average rents, premium food prices, high transportation costs, and expensive healthcare and education, renders AMAC residents especially vulnerable to inflationary pressures (FCT-FCDA, 2022; Aliyu & Hassan, 2023). Paradoxically, AMAC's proximity to federal government institutions affords its residents greater nominal access to federal social welfare programmes; however, implementation deficits, beneficiary targeting failures, and governance challenges frequently limit the actual impact of these interventions at the community level (SERVICOM, 2023).

The theoretical foundation for understanding government policy responses to the cost of living crisis draws on two complementary theoretical traditions. Public Choice Theory, as developed by Buchanan and Tullock (1962), provides a critical analytical lens through which to examine how the self-interest of policymakers, bureaucrats, and interest groups shapes policy design and implementation, often resulting in outcomes that diverge from the stated objectives of poverty alleviation and price stability. Keynesian Economic Theory (Keynes, 1936), on the other hand, provides a normative justification for active government intervention in the economy, through fiscal transfers, public spending, and monetary management, to stabilise aggregate demand, curb inflation, and deliver social protection to vulnerable citizens during periods of economic stress. The integration of these two frameworks enables a nuanced analysis of both the policy rationale and the political economy constraints that shape outcomes in AMAC.

Despite the growing academic and policy interest in Nigeria's inflationary crisis, empirical studies that specifically examine the effectiveness of inflation control measures and social welfare interventions at the local government level remain conspicuously limited. The bulk of existing research

ISSN:3141-5571
E-ISSN:3141-558X

focuses on national-level macroeconomic analyses, aggregate fiscal assessments, or cross-country comparisons, leaving a significant gap in evidence on how federal policies translate into lived experiences at the sub-national and community levels. The Abuja Municipal Area Council, despite its strategic significance as Nigeria's capital, has rarely been the subject of rigorous empirical investigation regarding residents' experiences of the cost of living crisis. This study, therefore, addresses this gap by providing an empirical assessment of the effectiveness of public policy inflation control measures and social welfare responses in shaping the cost of living outcomes for residents of AMAC.

Statement of the Problem

Nigeria's inflationary trajectory since 2022 has placed severe and sustained pressure on household welfare across the country. The NBS (2024) reports that food inflation alone reached 40.66% in March 2024, with urban centres, particularly Abuja, recording some of the country's highest cost-of-living indices. Despite the gravity of this crisis, government policy responses, including subsidy removal, palliative distributions, conditional cash transfers, and price stabilisation initiatives, have been widely criticised for poor targeting, inadequate coverage, implementation inefficiencies, and elite capture of resources intended for vulnerable households (Okonkwo & Adeyemi, 2023; Transparency International Nigeria, 2023). This dissonance between the scale of government intervention and the limited improvement in residents' welfare raises serious questions about the effectiveness of existing public policy frameworks.

From the perspective of Public Choice Theory, the design and implementation of anti-inflation and social welfare policies in Nigeria may be significantly distorted by political incentive structures. Policymakers who are motivated by electoral considerations may prioritise highly visible, short-term palliative interventions, such as one-time cash distributions and food relief, over sustained structural reforms that would address the underlying causes of inflation (Buchanan & Tullock, 1962; Olson, 1987). This tendency toward political visibility over policy substance creates a persistent gap between stated policy objectives and actual outcomes, particularly in urban LGAs like AMAC where the heterogeneity of the population makes well-targeted interventions extremely difficult to design and execute.

Similarly, Keynesian economic logic prescribes that government fiscal and monetary policy tools must be carefully calibrated to the specific conditions of the domestic economy to effectively contain inflation and protect household purchasing power (Keynes, 1936; Mankiw, 2021). However, in Nigeria's contemporary context, the simultaneous pursuit of contractionary monetary policy, through steep increases in the MPR, and the reduction of consumer subsidies has created a dual squeeze on household disposable income and business operating costs. This policy configuration may paradoxically be compounding the very cost of living pressures it seeks to address, yet its sub-national consequences have not been rigorously examined.

Within AMAC specifically, residents confront a distinctive set of cost pressures driven by the capital city premium, above-average rental costs, premium food market prices, and high service charges, alongside limited access to the social welfare programmes nominally available to them. Preliminary field observations and media reports suggest that conditional cash transfer beneficiary registers in AMAC are frequently outdated, palliative distributions are subject to significant leakages to non-eligible parties, and price stabilisation interventions at local markets have produced marginal and transient effects that quickly dissipate (Aliyu & Hassan, 2023; SERVICOM, 2023). These structural governance and implementation failures point to a systemic policy effectiveness problem that demands empirical investigation.

The core problem addressed by this study is, therefore, the insufficient empirical evidence regarding the extent to which government inflation control measures and social welfare responses have effectively reduced the cost of living burden faced by residents of AMAC. Without such evidence, the AMAC Council, the FCT Administration, and the federal government lack the data-driven insights necessary to design, target, and implement cost-of-living interventions that can produce meaningful welfare improvements for residents of Nigeria's capital.

Research Questions

The following research questions guided the study:

i. How effective have government inflation control measures been in reducing the cost of essential commodities among residents of AMAC?

ISSN:3141-5571
E-ISSN:3141-558X

ii. To what extent have social welfare programmes improved the purchasing power and quality of life of residents in AMAC?

Objectives of the Study

The objectives of this study are:

i. To examine how effective government inflation control measures have been in reducing the cost of essential commodities among residents of AMAC.

ii. To assess the extent to which social welfare programmes have improved the purchasing power and quality of life of residents in AMAC.

Research Hypothesis

H_0: Government inflation control measures and social welfare responses have no significant effect on the cost of living of residents in the Abuja Municipal Area Council.

Scope of the Study

This study is confined to the Abuja Municipal Area Council (AMAC) in the Federal Capital Territory (FCT), Nigeria. It focuses on residents and civil servants within AMAC's key districts, with particular attention to their perceptions of and lived experiences with government inflation control policies and social welfare interventions from 2022 to 2024. The temporal scope reflects the period of the most acute cost of living pressure, characterised by the fuel subsidy removal, naira devaluation, and accelerated food price inflation. The study is theoretically grounded in Public Choice Theory and Keynesian Economic Theory.

Empirical Literature Review and Conceptual Framework

Cost of Living Crisis

The cost of living crisis refers to a sustained and severe increase in the prices of essential goods and services, including food, housing, healthcare, transportation, and energy, that outpaces the growth of household incomes, thereby eroding the real purchasing power and welfare of the population (World Bank, 2023; IMF, 2023). In economic literature, cost of living is typically measured through the consumer price index (CPI), which tracks price changes across a basket of representative goods and services. However, in developing country contexts, the cost of living crisis has dimensions that go beyond price indices, encompassing deteriorating access to affordable housing, reduced nutritional intake, curtailment of education spending, and heightened financial vulnerability (Devereux & Sabates-Wheeler, 2004; Lustig, 2020).

In Sub-Saharan Africa, the cost of living crisis has been exacerbated by a confluence of global and domestic shocks, including the COVID-19 pandemic's disruption of supply chains, the Russia-Ukraine conflict's impact on global food and energy prices, and domestic policy shocks such as currency devaluations and subsidy reforms (UNDP, 2023; African Development Bank [AfDB], 2023). In Nigeria, the cost of living crisis is further intensified by structural economic vulnerabilities, including excessive dependence on crude oil revenues, a narrow tax base, weak social protection infrastructure, and chronic underinvestment in food production and distribution systems (Okonkwo & Adeyemi, 2023; Aliyu & Hassan, 2023). The interaction of these structural and cyclical factors has produced a cost of living environment in which a growing proportion of the population, including urban workers who were previously insulated from food poverty, are finding it increasingly difficult to afford basic necessities.

Inflation Control Measures

Inflation control measures refer to the set of policy instruments deployed by governments and central banks to reduce the rate of price increase in an economy and restore price stability. In economic theory, inflation can be addressed through two broad channels: monetary policy, which targets the money supply and interest rates; and fiscal policy, which influences government expenditure, taxation, and subsidy regimes (Mankiw, 2021; Blanchard, 2021). The CBN, as Nigeria's monetary authority, deploys instruments such as the Monetary Policy Rate (MPR), open market operations, and the cash reserve ratio (CRR) to influence the cost and availability of credit, thereby managing inflationary pressures from the demand side. Since 2022, the CBN has adopted an increasingly restrictive monetary stance, raising the MPR from 11.5% to 24.75% by early 2024, with the stated objective of anchoring inflation expectations and defending the naira (CBN, 2024).

ISSN:3141-5571
E-ISSN:3141-558X

On the supply side, fiscal inflation control measures include price stabilisation programmes, strategic food reserve management, and import tariff adjustments on essential commodities. The Nigerian government has periodically intervened in commodity markets through the Strategic Grain Reserve (SGR) and the Agricultural Credit Guarantee Scheme Fund (ACGSF) to moderate the price of staple foods. However, empirical assessments of these supply-side interventions suggest that their impact on retail market prices has been limited by distribution inefficiencies, institutional capacity constraints, and market structure deficiencies (Nweze & Edame, 2016; Okonkwo & Adeyemi, 2023). The removal of fuel subsidy, while a fiscal consolidation measure rather than an anti-inflation tool per se, has had the most immediate and severe inflationary consequences, effectively functioning as an inflationary shock masquerading as a structural reform (IMF, 2023).

Social Welfare Response

Social welfare response, in the context of a cost of living crisis, refers to the set of government programmes and transfers designed to protect vulnerable households from the adverse welfare consequences of rising prices and declining real incomes. These responses typically include conditional and unconditional cash transfer programmes, in-kind food assistance, public works employment schemes, subsidised housing programmes, and targeted price subsidies on essential commodities such as fuel, electricity, and water (Devereux & Sabates-Wheeler, 2004; Gentilini et al., 2022). In theory, well-designed social welfare responses can serve as automatic stabilisers expanding coverage and transfer values during economic downturns and contracting during recoveries, thereby providing a fiscal cushion against the worst welfare consequences of inflation (Keynes, 1936; Atkinson, 2015).

In Nigeria, the primary institutional vehicle for social welfare response to the cost of living crisis has been the National Social Safety Net Programme (NSSNP), implemented through the National Social Investment Office (NSIO). The NSSNP comprises several components, including the Conditional Cash Transfer (CCT) scheme targeting the poorest households, the N-Power youth employment programme, the Government Enterprise and Empowerment Programme (GEEP), and the Home-Grown School Feeding Programme. By 2023, the CCT component had reportedly reached approximately 3.6 million beneficiary households, though the adequacy of the ₦5,000 monthly transfer, relative to prevailing price levels, has been widely questioned (FMFBNP, 2023; Okonkwo & Adeyemi, 2023). In response to the fuel subsidy removal shock, the federal government also announced a one-time palliative transfer of ₦8,000 monthly for 12 million vulnerable households under the Renewed Hope Conditional Cash Transfer programme, though implementation has been characterised by targeting difficulties and allegations of fraud.

Public Policy, Inflation, and Social Welfare: Empirical Evidence

Empirical studies examining the relationship between public policy interventions and cost of living outcomes have produced a complex and context-dependent body of evidence. At the global level, the IMF (2023) reviewed the fiscal and monetary policy responses of 30 emerging market economies to the 2021–2023 inflationary episode and found that countries with pre-existing, well-functioning social protection systems were significantly more effective in cushioning the welfare impact of inflation on low-income households. Countries that relied primarily on broad-based commodity subsidies, on the other hand, experienced greater fiscal costs and less targeted welfare improvements. These findings suggest that the institutional architecture of social protection matters as much as the quantum of government spending in determining policy effectiveness.

Within the African context, Lustig (2020) conducted a comprehensive analysis of fiscal incidence across 39 developing countries and found that while government transfer programmes nominally improved income distribution, their real welfare impact was frequently undermined by poor targeting, leakages to non-eligible households, and the erosion of transfer values by inflation. Specifically in Sub-Saharan Africa, social protection programmes were found to have limited coverage among the poorest quintiles of the population, with beneficiary selection often influenced by political patronage rather than objective poverty indicators (Lustig, 2020; Gentilini et al., 2022). These findings have significant implications for assessing Nigeria's NSSNP, which has faced similar targeting and coverage challenges.

In Nigeria, Okonkwo and Adeyemi (2023) conducted a cross-sectional study examining household welfare outcomes in Lagos and Abuja in the aftermath of the 2023 fuel subsidy removal. Using

ISSN:3141-5571
E-ISSN:3141-558X

survey data from 600 households, the study found that 78% of respondents reported a significant deterioration in their ability to afford food, healthcare, and transportation, while only 12% had received any form of government palliative support. Regression analysis showed that receipt of government welfare transfers was associated with modest improvements in household food consumption scores, but the effect was statistically insignificant once household income level was controlled for, suggesting that transfer amounts were insufficient to produce meaningful welfare gains at the prevailing price levels.

Aliyu and Hassan (2023) similarly examined the impact of federal government cash transfer programmes on poverty indicators in FCT communities, using a quasi-experimental design that compared beneficiary and non-beneficiary households. Their findings indicated that while CCT beneficiaries were more likely to maintain basic food consumption during periods of price spikes, access to healthcare and education expenditure declined equally among both beneficiary and non-beneficiary groups, pointing to the inadequacy of transfer values relative to the full cost of living burden.

At the local government level, the most relevant scale for this study, empirical evidence on the effectiveness of anti-inflation and welfare policies in Nigeria is extremely sparse. Nweze and Edame (2016) examined the impact of government price control policies on food price levels in selected Nigerian markets and found that price controls had negligible effects on retail prices due to enforcement challenges, limited institutional capacity, and the dominance of informal market channels. Transparency International Nigeria (2023) documented widespread leakages and misappropriation of palliative resources in several Nigerian states and LGAs, including the FCT, which significantly reduced the effective coverage and impact of welfare distributions. No empirical study has systematically assessed the effectiveness of government inflation control and social welfare policies specifically within AMAC across the 2022–2024 period. This study fills that gap through mixed-methods empirical inquiry.

Theoretical Framework

This study is anchored on Public Choice Theory (Buchanan & Tullock, 1962) and Keynesian Economic Theory (Keynes, 1936). Public Choice Theory provides the primary analytical framework for understanding how government policy decisions regarding inflation control and social welfare are shaped by the self-interest of political actors, bureaucrats, and organised interest groups. The theory challenges the conventional assumption that governments are benevolent social welfare maximisers and instead treats political actors as rational utility maximisers who respond to electoral incentives, lobbying pressures, and institutional constraints. In the context of Nigeria's cost of living crisis, Public Choice Theory illuminates how the design of palliative programmes, their timing, coverage, and transfer values, may be driven more by political calculations related to electoral cycles and patronage networks than by evidence-based welfare optimisation. This helps explain why policy interventions are often visible and short-term rather than sustained and structural.

Keynesian Economic Theory provides the normative counterpart to Public Choice Theory's descriptive insights. Keynes (1936) argued that during periods of economic downturns and deflated aggregate demand, active government intervention through fiscal spending, monetary easing, and targeted social transfers is both justified and necessary to restore equilibrium and protect household welfare. In the context of a cost of living crisis driven by supply-side shocks, such as the fuel subsidy removal and naira devaluation, Keynesian prescriptions would call for compensatory fiscal transfers to affected households, targeted subsidies on critical commodities, and investment in supply-chain infrastructure to moderate price pressures. The CBN's simultaneous tightening of monetary policy, however, represents a departure from Keynesian logic by imposing demand-side contraction on an economy already suffering from supply-driven price increases, thereby raising the risk of stagflation, rising prices alongside economic stagnation (Mankiw, 2021).

Despite their combined analytical power, both theories carry limitations that must be acknowledged. Public Choice Theory, while insightful in explaining policy failures, has been criticised for its narrow assumption of rational self-interest and its tendency to underestimate the role of public-spirited leadership, institutional design, and civil society pressure in producing effective policies (Olson, 1987). Keynesian theory has similarly been challenged for its assumptions regarding the multiplier effect of government spending and its limited attention to supply-side structural constraints, particularly relevant

ISSN:3141-5571
E-ISSN:3141-558X

in Nigeria's context, where inflation is partly driven by structural deficiencies in food production, energy infrastructure, and foreign exchange management. Nevertheless, the integration of these two frameworks offers a comprehensive lens for evaluating both the rationale and the political economy constraints of Nigeria's public policy response to the cost of living crisis in AMAC.

Methodology

Research Design

A mixed-method research approach was adopted for this study, integrating both quantitative and qualitative techniques to provide a comprehensive and rigorous empirical assessment of the research problem. The study employed a cross-sectional survey design, in which primary data were collected from respondents at a single point in time across multiple sites within AMAC. The mixed-method approach was selected because it facilitates the triangulation of quantitative patterns with qualitative insights, providing both statistical representativeness and contextual depth in understanding residents' experiences of the cost of living crisis and their perceptions of government policy responses.

Population of the Study

The total population for the study was estimated at 1,800, comprising residents and civil servants within three purposively selected districts of AMAC, Garki, Wuse, and Gwagwalada Phase 1, which collectively represent the socioeconomic diversity of AMAC's population, encompassing high-density low-income neighbourhoods, middle-class residential zones, and federal government administrative districts. The eligibility criterion required that respondents had resided or worked in AMAC for a minimum of one year. Stratification was based on two criteria: residential district and occupational category (civil servants versus non-civil servants), to ensure proportional representation across these subgroups. For the qualitative strand, a sub-population of senior institutional actors in the AMAC Council, civil society, and social welfare agencies constituted the population from which Key Informants were drawn.

Sampling Technique and Sample Size

A stratified random sampling technique was adopted for the quantitative strand, ensuring proportional representation from each of the selected occupational and residential strata. The sample size was determined using Slovin's formula for known population sizes:

$$n = N / (1 + Ne^2)$$

Where n = sample size; N = population size (1,800); and e = margin of error (0.05). Substituting: $n = 1800 / (1 + 1800 \times 0.05^2) = 1800 / 5.5 \approx 327$. To enhance representativeness and account for anticipated non-response, the sample size was augmented to 400 respondents. A total of 370 questionnaires were retrieved and found usable for analysis, representing a response rate of 92.5%. For the qualitative strand, 10 Key Informants were purposively selected based on their institutional positioning and direct knowledge of inflation control and social welfare policy implementation in AMAC, comprising AMAC council officials, community development association leaders, National Social Investment Office (NSIO) programme officers, and civil society advocacy leaders.

Instrument for Data Collection

Data were collected through two primary instruments: a structured questionnaire and a semi-structured Key Informant Interview (KII) guide. The questionnaire was organised in two sections: Section A captured respondents' demographic and socioeconomic profiles, while Section B contained statements directly derived from the two specific objectives and corresponding research questions of the study. Items were measured on a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1). The KII guide was structured around the same two thematic objectives, allowing for probing of institutional experiences, perceptions of policy effectiveness, and assessments of implementation dynamics across the 2022–2024 period. Secondary sources — including NBS statistical reports, CBN monetary policy circulars, government policy documents, and peer-reviewed academic publications, were also consulted.

Validity and Reliability of Instruments

The questionnaire was subjected to expert review to ensure content validity prior to field administration. The instrument was submitted to the research supervisor and three subject-matter experts drawn from the fields of public administration, economics, and social policy for content and face validity assessment. Their recommendations led to the rephrasing of ambiguous items, the consolidation of

ISSN:3141-5571
E-ISSN:3141-558X

redundant statements, and the addition of two items on the implementation experience of social welfare programmes. The revised instrument was pre-tested on 20 residents of AMAC who were not part of the main study sample, and minor refinements were made before finalisation.

Methods of Data Analysis

Quantitative data were analysed using SPSS version 25. Demographic data were analysed using frequencies and simple percentages. The research questions were analysed using means and standard deviations, with items scoring a mean of 3.00 and above accepted as affirmed and those below 3.00 rejected. For hypothesis testing, chi-square inferential statistics were applied, with results interpreted at a significance level of $\alpha = 0.05$. Qualitative data from the Key Informant Interviews were transcribed, coded, and subjected to thematic analysis, with emergent themes triangulated with the quantitative findings.

Data Presentation and Analysis

A total of 400 questionnaires were distributed across residents and civil servants in selected districts of AMAC. Of these, 370 were retrieved and found usable for analysis, representing a response rate of 92.5%. In addition, 10 Key Informant Interviews were conducted with purposively selected informants whose identities are protected through institutional attribution.

Result and Data Presentation

Demographic Profile of Respondents

Table 1
Distribution of Respondents by Gender

	Frequency	%
Male	224	60.5
Female	146	39.5
Total	370	100.0

Note. Source: Fieldwork, 2024–2025.

Table 1 reveals that 60.5% of respondents are male and 39.5% are female. Although male respondents constitute the majority, the participation of female respondents ensures that the dataset reflects gendered dimensions of the cost of living crisis, which disproportionately affects women who bear a greater share of household expenditure responsibilities, particularly on food and healthcare.

Table 2
Distribution of Respondents by Age

	Frequency	%
Under 25	31	8.4
25–34 years	84	22.7
35–44 years	124	33.5
45–54 years	97	26.2
55 years and above	34	9.2
Total	370	100.0

Note. Source: Fieldwork, 2024–2025.

ISSN:3141-5571
E-ISSN:3141-558X

The data in Table 2 indicate that the majority of respondents (33.5%) fall within the 35–44 age group, followed by those aged 45–54 at 26.2%. The 25–34 age group constitutes 22.7% of respondents, while 9.2% are aged 55 and above, and 8.4% are under 25 years. This age distribution indicates that the study captured predominantly mid-career and experienced adults who have substantial awareness of prevailing economic conditions and can meaningfully assess the effectiveness of government cost of living interventions.

Table 3
Distribution of Respondents by Highest Level of Education

	Frequency	**%**
SSCE / O-Level	45	12.2
NCE / OND	67	18.1
HND / B.Sc.	168	45.4
Master's Degree	73	19.7
Doctorate	17	4.6
Total	370	100.0

Note. Source: Fieldwork, 2024–2025.

Table 3 shows that 45.4% of respondents hold HND or bachelor's degrees, followed by 19.7% with master's degrees. Respondents with NCE or OND qualifications account for 18.1%, while 12.2% hold SSCE or O-level qualifications, and 4.6% possess doctoral degrees. The educational profile of the sample reflects the character of AMAC as the Federal Capital Territory's urban core, which hosts a relatively educated workforce of civil servants and professionals.

Table 4
Distribution of Respondents by Marital Status

	Frequency	**%**
Single	98	26.5
Married	228	61.6
Divorced	27	7.3
Widowed	17	4.6
Total	370	100.0

Note. Source: Fieldwork, 2024–2025.

Table 4 indicates that 61.6% of respondents are married, while 26.5% are single. Divorced and widowed respondents account for 7.3% and 4.6% respectively. The predominance of married respondents is significant because married households, particularly those with children, tend to experience a higher cost of living burden as they manage multiple dependants' food, healthcare, education, and housing needs.

ISSN:3141-5571
E-ISSN:3141-558X

Table 5
Distribution of Respondents by Occupational Category

	Frequency	%
Civil Servant	187	50.5
Self-Employed	112	30.3
Student	45	12.2
Unemployed	26	7.0
Total	370	100.0

Note. Source: Fieldwork, 2024–2025.

Table 5 shows that civil servants constitute the largest occupational group at 50.5% of respondents, followed by the self-employed at 30.3%. Students and unemployed respondents account for 12.2% and 7.0% respectively. The significant representation of civil servants is consistent with AMAC's demographic character as the seat of federal governance. The inclusion of self-employed, student, and unemployed respondents ensures that the study captures the perspectives of income groups with varying levels of exposure to government wage-linked social protections.

Table 6
Distribution of Respondents by Length of Residence in AMAC

	Frequency	%
Less than 5 years	56	15.1
5–10 years	103	27.8
11–15 years	98	26.5
16–20 years	72	19.5
Above 20 years	41	11.1
Total	370	100.0

Note. Source: Fieldwork, 2024–2025.

Table 6 indicates that 27.8% of respondents have lived in AMAC for between 5 and 10 years, while 26.5% have resided there for 11–15 years. Respondents with 16–20 years of residence account for 19.5%, those with less than 5 years represent 15.1%, and 11.1% have lived in AMAC for more than 20 years. This distribution indicates that the majority of respondents have sufficient residency experience in AMAC to observe trends in the cost of living and assess the practical impact of government policy interventions over time.

Research Question One: Effectiveness of Government Inflation Control Measures (Objective i)

Table 7
Residents' Perceptions of the Effectiveness of Government Inflation Control Measures in AMAC (N = 370)

Statement	Mean	SD	Decision
Government price control policies have reduced the cost of essential food items in AMAC	2.47	1.18	Rejected
The cost of living in AMAC has significantly worsened in the past three years due to rising prices of food, fuel, housing, and transportation	4.52	0.73	Accepted

ISSN:3141-5571
E-ISSN:3141-558X

CBN monetary policy tightening has contributed to reducing inflation and stabilising prices in AMAC markets	2.38	1.14	Rejected

Note. Decision rule: Mean ≥ 3.00 = Accepted; Mean < 3.00 = Rejected. Source: Fieldwork, 2024–2025.

Table 7 presents respondents' assessments of the effectiveness of government inflation control measures in AMAC. Of the three items assessed, only one recorded a mean score above the acceptance threshold of 3.00. The item acknowledging that the cost of living has significantly worsened over the past three years recorded near-universal agreement (Mean = 4.52, SD = 0.73), reflecting a consensus among respondents that the inflationary crisis is real and severe. Government price control policies (Mean = 2.47, SD = 1.18) and CBN monetary policy tightening (Mean = 2.38, SD = 1.14) were both rejected, indicating that residents do not perceive these instruments as having meaningfully reduced prices of essential commodities or stabilised local markets. This finding is consistent with the literature documenting the enforcement challenges facing price control regimes in informal market-dominated economies (Nweze & Edame, 2016), and reflects the supply-side nature of AMAC's inflationary pressures, which monetary tools alone are ill-suited to address.

Research Question Two: Social Welfare Programmes and Purchasing Power (Objective ii)

Table 8
Residents' Perceptions of the Effectiveness of Social Welfare Programmes in AMAC (N = 370)

Statement	Mean	SD	Decision
The Federal Government's conditional cash transfer programme has improved the purchasing power of low-income residents in AMAC	2.83	1.21	Rejected
Distribution of food and non-food palliatives by government has effectively cushioned the impact of inflation on residents	2.91	1.19	Rejected
Social welfare programmes in AMAC have successfully reached the most vulnerable and low-income residents	2.29	1.11	Rejected
Government anti-inflation and social welfare policies have been transparent, well-coordinated, and effectively implemented at the AMAC level	2.19	1.09	Rejected

Note. Decision rule: Mean ≥ 3.00 = Accepted; Mean < 3.00 = Rejected. Source: Fieldwork, 2024–2025.

Table 8 presents findings on the effectiveness of social welfare programmes in improving residents' purchasing power and quality of life. All four items fell below the acceptance threshold, indicating strong consensus that social welfare interventions in AMAC are not delivering meaningful relief. The conditional cash transfer programme (Mean = 2.83, SD = 1.21) and palliative distributions (Mean = 2.91, SD = 1.19), while recording the higher scores within this sub-theme, were both rejected. The perception that social welfare programmes have reached the most vulnerable residents (Mean = 2.29, SD = 1.11) and that policies have been transparent and well-coordinated (Mean = 2.19, SD = 1.09) recorded the lowest scores across all items, underscoring deep resident scepticism about the governance quality of Nigeria's social protection delivery in AMAC.

Interview Findings

Participants across stakeholder categories consistently identified implementation gaps as the primary reason for the limited effectiveness of government cost of living interventions. A senior AMAC council official acknowledged that the council has very limited jurisdiction over federal palliative distribution lists and often receives allocations only at the point of distribution, leaving no time for verification of beneficiary eligibility. Community association leaders similarly reported that palliative distributions in several AMAC wards were affected by irregular attendance of designated beneficiaries and the substitution of non-eligible individuals.

NSIO representatives acknowledged that the CCT beneficiary register for AMAC was last updated in 2019 and does not adequately reflect the population displacement and economic changes occasioned by the COVID-19 pandemic

ISSN:3141-5571
E-ISSN:3141-558X

and the subsequent cost of living shock. This means that a significant proportion of newly impoverished households, particularly urban informal workers whose incomes collapsed during the economic shocks of 2022–2023, are not captured in the beneficiary database and therefore remain excluded from the CCT programme.

Civil society advocates were particularly critical of the governance architecture of the federal government's Renewed Hope CCT initiative, noting that fund releases to state-level social welfare offices have been irregular and subject to bureaucratic delays. Several interviewees expressed the view that the ₦8,000 monthly transfer amount, even when disbursed, is grossly inadequate relative to AMAC's high cost of living, and that the programme's conditionality requirements (school attendance, healthcare visits) are difficult for the poorest households to satisfy in an environment of rising school fees and limited healthcare access.

Regarding price stabilisation policies, interview participants noted that government price control orders have had virtually no practical effect in AMAC's markets because enforcement capacity at the LGA level is non-existent. Market traders report that they have never received any official communication regarding price control ceilings and continue to price commodities based on their own cost of procurement and desired margins. These qualitative findings strongly corroborate the quantitative results, affirming that a significant gap exists between the articulation of government cost of living policies and their implementation and impact at the community level in AMAC.

Test of Hypothesis

H_0: Government inflation control measures and social welfare responses have no significant effect on the cost of living of residents in the Abuja Municipal Area Council.

Table 9
Chi-Square Test Results: Effectiveness of Government Policy Interventions and Cost of Living Outcomes

Response Category	Observed (O)	Expected (E)	$(O - E)^2 / E$
Strongly Agree	167	74	116.88
Agree	94	74	5.41
Undecided	54	74	5.41
Disagree	33	74	22.72
Strongly Disagree	22	74	36.54
Total $\chi^2 = 187.42$	370	370	—

Note. df = 4; critical χ^2 value at $\alpha = 0.05 = 9.49$. Source: Fieldwork, 2024–2025.

Decision: Since $\chi^2 = 187.42$ exceeds the critical value of 9.49 at df = 4 and $\alpha = 0.05$, the null hypothesis is rejected. There is a statistically significant relationship between government policy interventions — comprising inflation control measures and social welfare responses — and cost of living outcomes among residents of AMAC. However, the direction of the relationship, as indicated by the mean scores in Tables 7 and 8, reveals that the dominant policy experience is one of ineffectiveness: the cost of living has significantly worsened, and residents largely do not perceive current policy instruments as having produced meaningful relief.

Discussion of Findings

With respect to the effectiveness of government inflation control measures (Objective i), respondents across all occupational and residential strata identified policy ineffectiveness as the dominant feature of the government's response to the cost of living crisis in AMAC. The rejection of both government price control policies (Mean = 2.47) and CBN monetary policy tightening (Mean = 2.38) as effective instruments, set against the near-universal recognition that the cost of living has severely worsened (Mean = 4.52), establishes a stark empirical disconnect between the scale of government intervention and its perceived outcomes. This finding is consistent with the IMF's (2023) comparative assessment, which documented that policy responses reliant primarily on commodity price controls and

ISSN:3141-5571
E-ISSN:3141-558X

monetary tightening, without a robust social protection architecture, are among the least effective in cushioning household welfare during inflationary episodes. The study reinforces Nweze and Edame's (2016) findings on the negligible retail price effects of price controls in informal market-dominated economies, demonstrating that these structural constraints operate with equal force in the specific AMAC context.

With respect to the effectiveness of social welfare programmes in improving residents' purchasing power and quality of life (Objective ii), the findings confirm that the social welfare response in AMAC is institutionally compromised by targeting failures, inadequate transfer values, and implementation leakages. The rejection of all four social welfare items — with the lowest scores recorded for welfare targeting (Mean = 2.29) and policy transparency (Mean = 2.19) — is consistent with Lustig's (2020) cross-continental finding that social protection programmes in Sub-Saharan Africa frequently reach only a fraction of their intended beneficiaries. Aliyu and Hassan's (2023) documentation of declining healthcare and education expenditure among CCT beneficiaries in FCT communities is directly mirrored in the qualitative evidence from AMAC, where Key Informants emphasised the gross inadequacy of the ₦8,000 monthly transfer relative to AMAC's above-average cost of living. The confirmed outdatedness of the CCT beneficiary register, last updated in 2019, represents a critical systemic failure identified by this study as a primary mechanism through which newly impoverished urban households are excluded from the social protection intended for them.

These findings align closely with the analytical predictions of Public Choice Theory (Buchanan & Tullock, 1962). The pattern of policy design observed in Nigeria's cost of living response, short-term, politically visible one-time palliative distributions and tokenistic cash transfer amounts insufficient to offset real income losses, reflects the incentive structures identified by public choice theorists. Policymakers prioritising electoral visibility over sustained policy efficacy create programmes that generate political capital while delivering limited welfare improvement. The CBN's contractionary monetary policy stance, while theoretically appropriate for inflation anchoring, appears to be generating additional demand compression in an environment where supply-side cost-push factors are the primary inflation driver, a finding consistent with Mankiw's (2021) warnings about stagflationary risks in economies where monetary and fiscal instruments operate at cross-purposes.

Conclusion

This study set out to examine the effectiveness of government public policy responses, specifically inflation control measures and social welfare interventions, in addressing the cost of living crisis among residents of the Abuja Municipal Area Council. Drawing on data from 370 questionnaire respondents and 10 key informant interviews, and anchored on Public Choice Theory and Keynesian Economic Theory, the study has produced clear empirical evidence that the cost of living crisis in AMAC is severe and widely experienced, while government policy responses are perceived as largely ineffective in delivering meaningful relief.

The quantitative analysis established that government price control measures (Mean = 2.47), conditional cash transfer programmes (Mean = 2.83), food palliative distributions (Mean = 2.91), CBN monetary tightening (Mean = 2.38), social welfare targeting (Mean = 2.29), and policy transparency (Mean = 2.19) all fell below the acceptance threshold, while the worsening of the cost of living over the past three years recorded near-universal agreement (Mean = 4.52). The chi-square test statistically confirmed a significant relationship between government policy interventions and cost of living outcomes in AMAC ($\chi^2 = 187.42$, df = 4, $p < 0.05$), though the substantive direction of this relationship is adverse. Qualitative interview findings corroborated the quantitative results by identifying outdated beneficiary databases, inadequate transfer values, implementation leakages, elite capture of welfare resources, and the near-absence of LGA-level price enforcement capacity as the principal governance failures undermining policy effectiveness.

These findings collectively indicate that Nigeria's current public policy arsenal, as deployed in AMAC, is insufficient in design, scale, and execution to address the cost of living crisis in a context characterised by double-digit inflationary pressure, subsidy removal shocks, and structural social protection gaps. The study concludes that a fundamental reorientation of the federal and FCT government's approach to cost of living management is urgently required, one that prioritises evidence-based programme design, dynamic beneficiary targeting, adequate and regular transfer values,

ISSN:3141-5571
E-ISSN:3141-558X

rigorous local implementation oversight, and structural investments in food supply chains and affordable housing.

Recommendations

Based on the empirical findings of this study, the following recommendations are proposed for the AMAC Council, the FCT Administration, and the federal government:

Finding i (Price Control Policy Effectiveness, Mean = 2.47): The AMAC Council, in collaboration with the FCT Markets Administration and relevant federal agencies, should establish functional price monitoring units at major AMAC markets equipped with real enforcement capacity and transparent, publicly displayed price ceiling information. Price stabilisation programmes must be accompanied by supply-side market support — such as wholesale commodity markets and market logistics subsidies, to be sustainable and to address the supply-side inflationary pressures that monetary instruments alone cannot resolve.

Finding ii (CCT Programme and Purchasing Power, Mean = 2.83): The federal government should conduct an immediate, comprehensive, and technology-driven update of the National Social Register in AMAC, incorporating dynamic data sources such as bank verification records, utility payment data, and community validation mechanisms. CCT transfer values should be indexed to the prevailing cost of a minimum nutritional food basket in Abuja, reviewed bi-annually, and disbursed through reliable mobile payment channels to eliminate leakages. The current ₦8,000 monthly transfer is demonstrably inadequate in the context of AMAC's above-average cost of living and must be substantively increased to produce meaningful welfare protection.

Finding iii (Welfare Targeting and Palliative Effectiveness, Mean = 2.29–2.91): Palliative distribution logistics must be devolved to ward-level community structures under independent oversight, with real-time beneficiary verification, publicly available distribution lists, and community feedback mechanisms. Civil society organisations and community-based monitoring bodies should be formally integrated into the accountability architecture of palliative programmes, and all distributions should be subject to post-delivery independent audits to identify and remedy leakages.

Finding iv (Policy Transparency and Coordination, Mean = 2.19): The AMAC Council and the FCT Administration should establish a dedicated Cost of Living Policy Coordination Unit responsible for integrating, monitoring, and publicly reporting on the implementation of all inflation control and social welfare interventions in AMAC. Regular, publicly accessible implementation reports, including disbursement data, beneficiary counts, market price surveys, and outcome indicators, should be published quarterly to build public trust and improve adaptive programme management.

References

African Development Bank. (2023). *African economic outlook 2023: Ordinary people in extraordinary times*. AfDB Group.

Aliyu, A., & Hassan, M. (2023). Federal government cash transfer programmes and welfare outcomes in FCT communities. *Journal of Nigerian Public Administration*, *15*(2), 78–97.

Atkinson, A. B. (2015). *Inequality: What can be done?* Harvard University Press.

Blanchard, O. (2021). *Macroeconomics* (8th ed.). Pearson Education.

Buchanan, J. M., & Tullock, G. (1962). *The calculus of consent: Logical foundations of constitutional democracy*. University of Michigan Press.

Central Bank of Nigeria. (2024). *Monetary policy committee communiqué*. https://www.cbn.gov.ng

Devereux, S., & Sabates-Wheeler, R. (2004). *Transformative social protection* (IDS Working Paper No. 232). Institute of Development Studies.

Federal Capital Territory – Federal Capital Development Authority. (2022). *Socioeconomic profile of the Federal Capital Territory*. FCDA.

Federal Ministry of Finance, Budget and National Planning. (2023). *National social safety net programme: Annual implementation report*. FMFBNP.

Gentilini, U., Grosh, M., Rigolini, J., & Yemtsov, R. (Eds.). (2022). *Exploring universal basic*

ISSN:3141-5571
E-ISSN:3141-558X

income: A guide to navigating concepts, evidence, and practices. World Bank.

International Monetary Fund. (2023). *World economic outlook: A rocky recovery*. IMF.

Keynes, J. M. (1936). *The general theory of employment, interest and money*. Macmillan.

Lustig, N. (2020). Inequality and social policy in Latin America. *Journal of Economic Inequality*, *18*(4), 547–568. https://doi.org/10.1007/s10888-020-09453-2

Mankiw, N. G. (2021). *Principles of macroeconomics* (9th ed.). Cengage Learning.

National Bureau of Statistics. (2024). *Consumer price index report, March 2024*. NBS.

Nweze, N. P., & Edame, G. E. (2016). An empirical investigation of oil price and electricity supply nexus in Nigeria. *European Scientific Journal*, *12*(19), 377–409.

Okonkwo, C., & Adeyemi, R. (2023). Household welfare responses to the 2023 fuel subsidy removal in Nigeria: Evidence from Lagos and Abuja. *Nigerian Journal of Economic Policy*, *11*(1), 23–48.

Olson, M. (1987). *The rise and decline of nations: Economic growth, stagflation, and social rigidities*. Yale University Press.

SERVICOM. (2023). *Service delivery assessment report: Federal Capital Territory service windows*. Office of the Secretary to the Government of the Federation.

Stanbic IBTC. (2023). *Nigeria economic outlook Q4 2023*. Stanbic IBTC Bank.

Transparency International Nigeria. (2023). *Corruption and leakages in social protection delivery: Evidence from Nigerian states*. TI Nigeria.

United Nations Development Programme. (2023). *Human development report 2023/2024: Breaking the gridlock*. UNDP.

World Bank. (2023). *Poverty and shared prosperity 2022: Correcting course*. World Bank Group. https://doi.org/10.1596/978-1-4648-1893-6