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Study On The Impact Of High Fuel Pricing On The Social-Economic Well-Being Of The Rural Community In Lilongwe.

[1]Treazer Kabiya, [2]Dr. Meseele Mengsteab
[1] Student, [2]Assistant Professor
[1]Social Work Department,
[1]DMI-St. Eugene University, Chibombo, Zambia

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Abstract: For a society that has become as dependent on fossil fueled energy as our own, a significant rise in the price of those fuels is likely to bring about reordering of the way we live and work. The study proposed to examine the situation in its longer-term perspective. Where we can step back to size up the central forces at work and consider that the citizenry has to say about how the problem should be handled. The study focused much in some rural areas, rural areas are going to undergo substantial socio-economic change over to coming two or three decades as the result of the sharp rise in fuel prices. If fuel prices increase, there are chances production cost will also raise, day to day living changes and every shop prices becomes high.

The study used quantitative research approach which determines relationships between collected data and observations based and scheduled interviews using questionnaires.The researcher used descriptive research design and random sampling method targeting a total of 80respondents. Correlation findings further show that there was a significant correlation between fuel prices and the community well being. The findings further show that improvement in the availability of fuel in the country at a lower price can improve the lives of the rural people.

I. INTRODUCTION

Alvarez et al., (2011) mentions that oil price is still the most important factor affecting world's economic growth, industrial development, inflation and interest rate, food price, poverty, and other socio-economic variables, besides its dynamics is the main index demonstrating oil market circumstances. In general, increasing oil prices impact on economic growth, in which people in developing countries are expected to suffer most. This paper will develop a tool to assess the impact of high fuel pricing on the social-economic well-being of rural community. Adjusting to higher fuel prices will require again effective safety nets plus a combination of efficient energy use and diversification away from traditional fossil fuels.

II. NEED OF THE STUDY.

The study will be important to several stakeholders, the National Government (Ministry of Energy). Findings from the study will provide more information as to how to effectively provide an analysis to the extent which income equality will be affected by the energy policies, taking country specific issues into account.

The research gives an insight into the impacts of policies for high price fuel and how it is affecting rural communities. It also looks into impacts of high fuel prices affecting the well-being of rural communities and to find ways to help these communities.

This study can be used as a guide for further research and adds to pool information on the subject. The future researchers may also use the findings of this study in getting related literature regarding this subject. It will also be of great value to tertiary institution students researching into similar area.

III. RESEARCH METHODOLOGY

The methodology outlines the strategy and procedure used to carry out the research. This contains the study's universe, sample, data and data sources, variables, and analytical framework.

3.1Population and Sample

According Creswell, (2012) population is a group of individuals who have the same characteristic. Kothari and Garg (2014) define

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sampling as the process of selecting representative elements from a given population that will form the sample. In this case the targeted population was rural dwellers of Thumba 2 village (households, business people and farmers) the village has a population of 2,572.

Sample size formula for an known population

n= Sample size
N=Population size
e= Marginal error
N for the village=2,572
$n=N\div 1+Ne^2$
$e=0.05^2$
$n=2,572 \div 1+ 2572\times(0.0025)$
$n=2,572\div 1+6.43$
$n= 2,572 \div 7.43$
n= 346.2
The researcher calculated 346.2, however due to the financial challenges the sample trimmed to 80.

3.2 Data and Sources of Data

Research instrument are simply devices for obtaining information relevant to research project, and there are many alternatives from which to choose from (Easwaramoorthy.M, et al-2006). Primary data was collected from respondents and the major instrument used for data collection in this study were the questionnaire and scheduled interview.The questionnaire through scheduled interview were divided into two sections. Section A covers primary/demographic data about such as age, sex, marital status, level of education and Income, while Section B covers check boxes. Where the respondents were asked to choose the answers,items eliciting responses on the variables of the study.

3.3 Theoretical framework

Sociological theory may be used to rationalize market changes with respect to gas prices. Structural functionalism and Marxism offer rival explanations for the marked increase in fuel costs. The structural functionalist Garner (1950's) this position would offer that though increasing costs may be inconvenient for many consumers, and disastrous for a few, ultimately the shift is functional for society at large. If gasoline prices did not rise to compensate for lower supplies and higher demand, many gasoline companies, drilling operations, refineries, and fuel distributors could face bankruptcy. Even if they did not go bankrupt, if any single firm in the fuel industry failed to keep up with the market price of fuel it would suffer from lower profit margins and may have to lay off workers to compensate, increasing unemployment. In the long run fossil fuels cannot last forever.

As the earth's population and technology increase demand for fuel will continue to rise while supplies will continually be diminished. Increasing fuel costs have already prompted several firms, and governments, to look at the possibility of creating or expanding other sources of energy (such as hydro-electric, wind, and solar energy). Though it may take time and financially strain many consumers, increasing fuel costs may help spur technological advances that help humanity make the necessary move from finite, diminishing fossil fuels towards energy sources that are more permanent and reliable. Marxism, according to Karl Marx (1848) by contrast, might offer that there is something more sinister at hand.

As fuel costs increase, the lower classes will face a far greater strain than the upper classes. Not just gasoline, but home heating and electricity will become increasingly difficult for lower classes to afford exacerbating the situation for those already at risk for poverty. Nation-state governments must be able to help lower classes cope with this strain or risk increasing political instability. Should the gap between the rich and the poor become too great and the lower classes unable to afford the high price of fuel; social unrest may flare up. Many consumers may blame the fuel corporations for the price increase (whether or not it is actually their fault) and think they are being manipulated so the corporations can enrich themselves and thus further cement their position as full-fledged members of the ruling class. These two theories have been applied to the newspapers used in this analysis to gain an understanding of how the editorial writers perceive the causes and responses to the increase in fuel costs. humans.

IV. RESULTS AND DISCUSSION

4.1. Gender of Respondents

This researcher sought to find out the gender distribution of the various respondents. The results showed that 41% of the respondents were male and 39% of the respondents were female.

Table 1. *Showing the Gender of Respondents*

Respondent code	Sex	Percentage
1	Male	41%
2	Female	39%

4.2 Age of the respondents

The study sought to find out the age of respondents. 30% are between the age of 20-30, 31% of the respondents between the ages

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of 31-40 years, 14 % of the respondents are between the age of 41-50 years and 25% are above 51 years of age

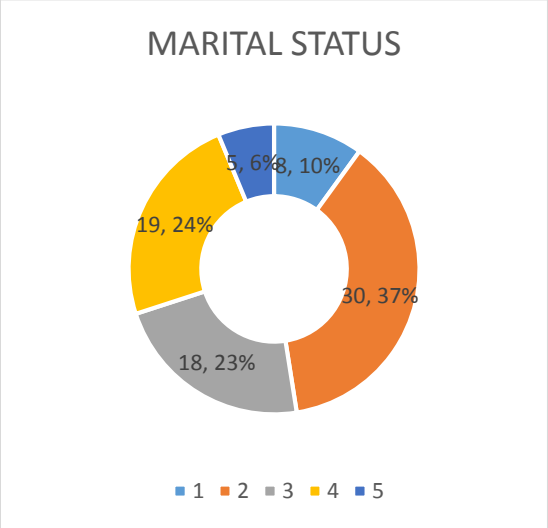
Table 2. *Age of the respondents*

Respondent code	Age	Percentage
1	20-30	30%
2	31-40	31%
3	41-50	14%
4	51 Above	25%

4.3. Marital status

The researcher aimed to find out the marital status of the respondents. The results the results also show 38% were married, 10% single, 24% windowed, 22% divorced and 6% separated.

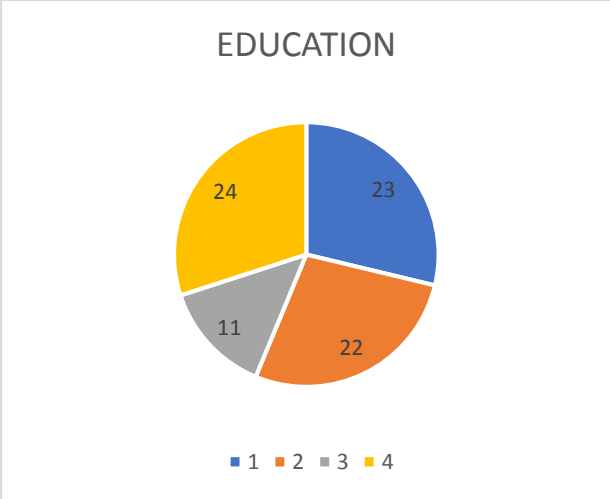
Figure 1. *Marital status of the respondents*



4. 4. Education level

The researcher aimed at finding out the level of education of the respondents. The results shows that 23% of the respondents were from primary, followed by 22% who are from secondary, then 11 % were from tertiary and 24% none

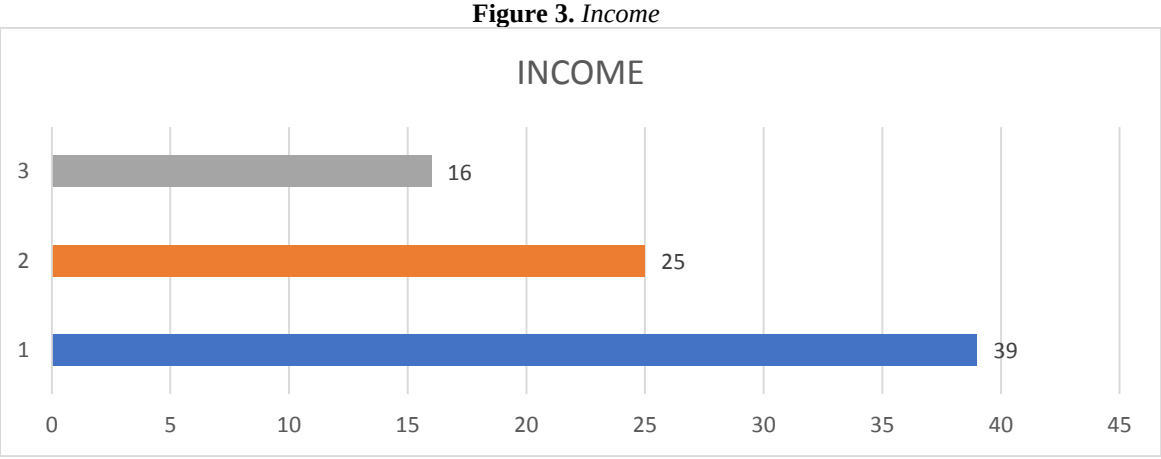
Figure 2. *Level of Education*



4.5. Income

The study aimed at finding out the income of the respondents. The results showed that low income 39% followed by those who had medium income were 25% and those with high income were 16%.

Figure 3. *Income*



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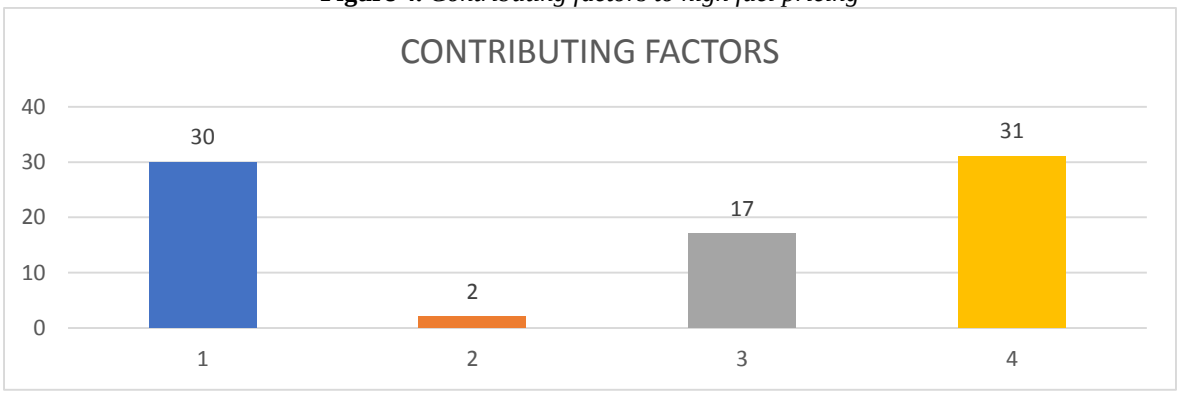
4.7. Factors contributing to high fuel pricing affecting the socio-economic well being of rural community.

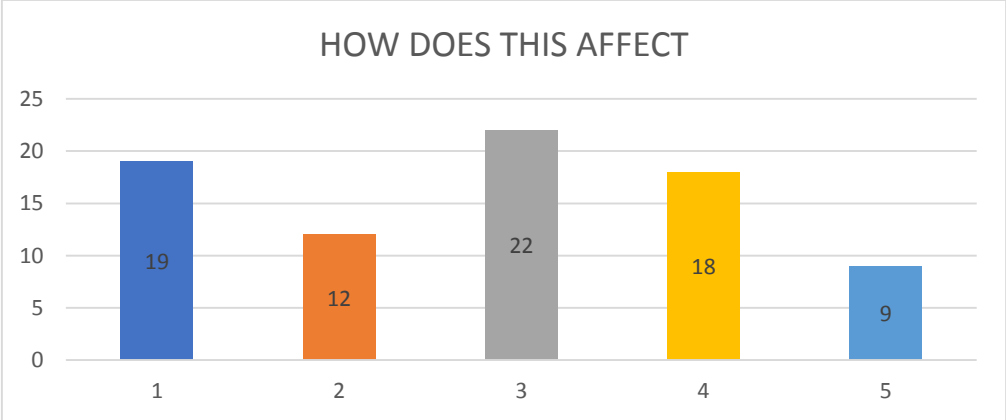
Figure 4. *Contributing factors to high fuel pricing*



The results show that 30% indicated COVID 19, 2% indicates supply disruptions, 17% indicates on technology innovations and financial crisis and 32% on devaluation. This is in line with what Peter Loh, Kleit and Andrew (2022) found in their study where they wanted to found out on the issues of COVID 19 pandemic began before the rise of cost on fuel.

4.8 Effects on the individual's daily life

Figure 5. *Effects on the individual's daily life*



From the figure above, the results show that 19% of the respondents were affected on the larger share of households which changes their daily life, 12% of the respondents' businesses good rise which affect them, 22% of the respondents were affected by production which was more expensive for businesses, 18% were affected whereby they reduce demand for other goods and 9% reduce wealth.

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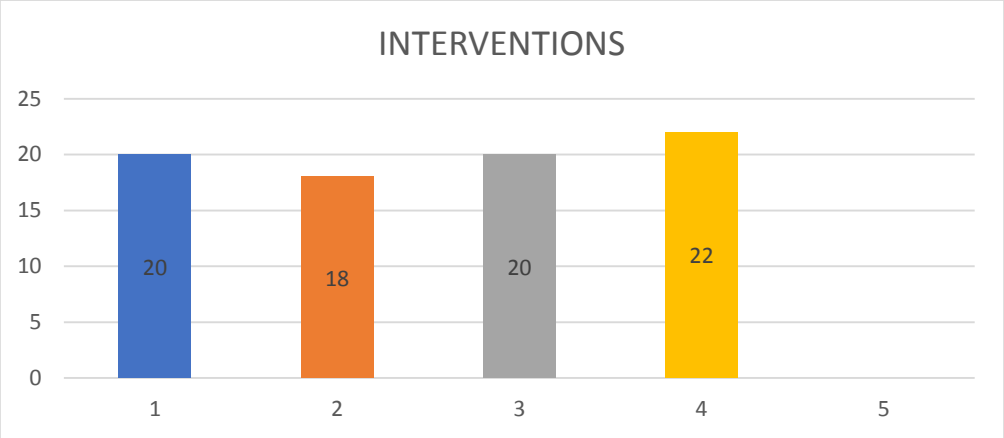
4.9. Effectiveness of intervention used to overcome the problem of high pricing of fuel

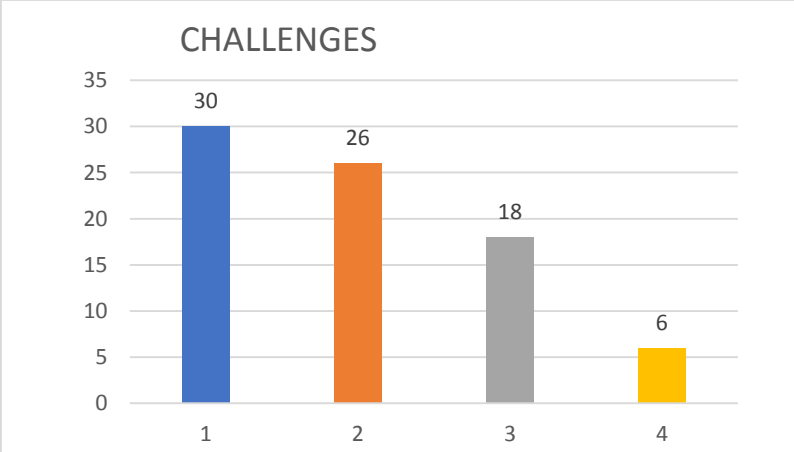
Figure 6. *Effective interventions used to overcome the problem*



The researcher sought to find out if there are any interventions, the finding show that 20% indicated that government should reduce fuel price of retail fuel, 18% respondents show that strengthen vehicles efficiency standards, another 20% show that reduce taxes on petroleum products and 22% show that using public transport to travel is the best way.

4.10. Challenges faced on transport

Figure 7. *Challenges faced on transport*



Furthermore, on challenges faced on transport the results show that 30% there is increase cost to transport,26% indicated that there is production inflation, 18% indicated that there is changes in services area and 6% indicated others.

V.SUMMARY OF RESEARCH FINDINGS

In the first place the results showed the demographic details of the respondents. The findings indicate that 41% of the respondents were male and 39% of the respondents were male. Further, 30% are between the age of 20-30, 31% of the respondents between the ages of 31-40 years, 14 % of the respondents are between the age of 41-50 years and 25% are above 51 years of age, the results also show 37% were married, 10% single, 23% windowed, 24% divorced and 6% separated. A good number of respondents showed that did not attend school representing 24% seconded by those with primary level of education at 23%. The study found that a good number of respondents had a low household income per month at 39% which was the highest number.

The study was to establish the relationship between fuel pricing and the its effects on the

economic well being on the rural community dwellers. The findings of the study have shown that high fuel prices have affected them so much. Respondents were affected on the larger share of households which changes their daily life, business goods rise which affect them, production which was more expensive for businesses, and a reduction in demand for other goods.

On coping mechanisms, the researcher findings also show that an increased cash transfer program was the best mechanism, a reduction on government expenditure on other lesser important issues but focus on fuel price subsidy and finally findings indicated that alternative sources of transport was favorable.

The study aligns with the conceptual framework demonstrating various economic and financial, technological, political, demographic, and industrial factors that impact on the dynamics of the futures and spot prices with their interrelations. It is shown that unilateral (and univariate) analyzes is not sufficient in oil market dynamics analysis and systems approach should be applied.

On the other hand challenges faced on transport the findings show that there is high increase cost to transport, followed by production inflation, and changes in services area The researcher sought to find out if there are any interventions, the finding in the highest order show that that government should reduce fuel price of retail fuel, respondents show that strengthen vehicles efficiency standards, reduce taxes on petroleum products and that using public transport to travel is the best way.

Findings further show that there was a significant correlation between high fuel pricing and the rural wellbeing. Therefore, lives of the people get affected socially and economically when there is unstable availability of fuel and high pricing because they affect businesses, travelling and high pricing of basic food.

VI.RECOMMENDATIONS

Despite the challenges higher fuel costs bring to these industries, few companies and stakeholders have made significant efforts to address the issue. The study recommends that the government and other non-government look into the issues of adequate availability of fuel through lowering taxes towards petrol prices

Secondly, conduct regular vehicle inspections to ensure that engines are tuned and tires are at the proper pressure to lower fuel consumption. Telematics solutions can also monitor the health of the vehicle as well as driving behavior. They can help fleet operations catch declining vehicle performance early and facilitate driver coaching to help drivers reduce their fuel consumption.

Furthermore, periodic monitoring and evaluation could ensure that the objectives are met. Concerned stakeholders including Social Workers should be into practice monitoring the situation. Policy monitoring involves, appraising the policy environment, gauging the level and quality of stakeholder engagement, documenting the progress of policy development and the legislative endorsement of policy, putting policies into practice through financing and implementation planning.

The study also recommends that transparency and accountability should be observed in the implementation of the program at each stage by the community, government and other stakeholders. The government must put in place measures and outcomes of the implementation and these outcomes can serve as a benchmark when implementing. Moreover, the government can set up a committee that will periodically monitor and evaluate the implementation process and ensures that everything is in line with its objectives to ensure transparency.

Increased fuel costs present an excellent opportunity to collaborate with other members of the supply chain. Together, you can identify practices, policies and operational conditions that decrease your collective fuel consumption. Ask for input from both your carriers and customers about how your business can reduce fuel consumption and lessen the burden of the increased costs.

Further social workers can be centers of resource mobilization for the sustainability of the rural well-being and. improvement.

AREA FOR FURTHER STUDY

This research utilized a quantitative approach to conducting research. Future research could employ other research design to measure the significance of the topic under study.

Secondly, future research could also include policy actors from the Ministry of Energy and stakeholders from the energy sector to explore more implementation plan and the factors that affect it.

Furthermore, this research may not have exhausted all the approaches to conducting quantitative and descriptive research. Future research can look at ways in which responses can be improved. These include face-to-face interviews, and focused group discussions among other methods.

Social workers must gear into supporting the programmes through further research on how to

improve the lives of rural in times of fuel crisis, civic education, and awareness campaign to community members.

Acknowledgment

I am thankful to the almighty God for allowing to have this chance for this paper and guiding me in the tasks given by the University to reach to the end. I would also like to wholeheartedly thank my parents, my husband, brothers and all relatives who took an initiative to provide all necessary support to reach this far. Lastly, I sincerely thank all those who in one way or the other have given me a hand of support through the times I have been working on my project.

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