

PERCEIVED IMPACT OF MINIMUM WAGE INCREASE ON HOUSEHOLD WELL-BEING AMONG CIVIL SERVANTS IN EBONYI STATE, NIGERIA.

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Abstract

This research work investigated the perceived impact of minimum wage increase on household well-being among civil servants in Ebonyi State, Nigeria. The work explored the patterns, determinants, consequences, and preventive strategies related to positive impact of minimum wage increase in the work area. A sample of three hundred and four (304) civil servants across five (5) public sectors within the work area was drawn from a total population of 2250 using Taro Yamane's formula. The research work uncovered the impact of minimum wage increase on household well-being among civil servants in Ebonyi state. It was found that the importance of minimum wage increase by the government cannot be overstated, particularly in developing economies like Nigeria where income inequality remains a persistent challenge. Minimum wage policies serve as critical tool for income redistribution, poverty reduction, and social protection. The work therefore recommends adequate minimum wage increase on civil servants for productivity for social and economic well-being of civil servants in general.

Introduction

Minimum wage policies represent a fundamental economic intervention implemented by governments worldwide to establish a floor for worker compensation and ensure a basic standard of living. These policies are particularly significant in developing economies like Nigeria, where they serve as crucial mechanisms for addressing income inequality and poverty reduction (Adeniran et al., 2020). In Nigeria, the implementation and subsequent increases in minimum wage have substantial implications for various sectors of the economy, with civil servants constituting a significant demographic whose livelihoods are directly affected by such policies.

In Ebonyi state, a predominantly agrarian region in south-east Nigeria, civil servants face unique financial challenges influenced by both local economic conditions and broader national economic policies. The introduction of minimum wage increases is designed primarily to enhance this financial stability by boosting income levels. However, the actual impact of such increases on

household financial stability depends on various factors, including inflation rates, implementation fidelity, and household economic behavior (Idris & Agbim, 2022). Understanding these dynamics is crucial for assessing the efficacy of minimum wage policies in improving the financial stability of civil servant households in Ebonyi state.

Statement of the Problem

The implementation of minimum wage increases in Nigeria generally aims to improve workers' welfare and enhance household well-being. However, there exists a concerning gap between policy objectives and their practical outcomes, particularly for civil servants in states like Ebonyi. Despite the recent minimum wage adjustments by the Government of Hyacinth Iormen Alia, civil servants in Ebonyi state seem to continue to face significant challenges in maintaining adequate household well-being, suggesting that minimum wage increases may not be achieving their intended impacts.

Objectives of the Study

The main objective of this study is to investigate the perceived impact of minimum wage increase on household well-being among civil servants in Ebonyi state, Nigeria. Specifically, the study seeks to:

1. Assess the perceived impact of the minimum wage increase on the financial stability of households of civil servants in Ebonyi state.
2. Examine the perceived impact of the minimum wage increase on basic household needs of civil servants in Ebonyi state.

Significance of the Study

The findings of this study will be significant to various stakeholders including civil servants, policymakers, labor unions, academic researchers, and the broader Nigerian society.

Civil servants in Ebonyi state and across Nigeria will benefit from this study as it provides empirical evidence regarding the actual impact of minimum wage increases on various aspects of their household well-being. The findings will help civil servants better understand how wage policies affect their financial stability, access to basic needs, standard of living, food security, and health outcomes. This knowledge can inform their financial planning, advocacy efforts, and coping strategies in the face of economic challenges. Additionally, the study may validate

the lived experiences of civil servants, giving voice to their perceptions and concerns regarding the adequacy of minimum wage policies in addressing their household welfare needs.

Scope of the Study

This work focuses on investigating the perceived impact of minimum wage increases on household well-being among civil servants in Ebonyi state, Nigeria. While minimum wage is the independent variable, household well-being is the dependent variable. The content scope of the work is delimited to: financial stability, basic household needs, standard of living.

Research Questions

The following research questions were formulated to guide the study:

1. What is the perceived impact of the minimum wage increase on the financial stability of households of civil servants in Ebonyi state?
2. What is the perceived impact of the minimum wage increase on basic household needs of civil servants in Ebonyi state?

Research Hypotheses

The following null hypotheses were formulated and will be tested at 0.05 level of significance:

1. The minimum wage increase has no significant impact on the financial stability of households of civil servants in Ebonyi state.
2. The minimum wage increase has no significant impact on basic household needs of civil servants in Ebonyi state.

Theoretical Framework

The following theory are relevant to the present work:

Maslow's Hierarchy of Needs Theory by Abraham Maslow (1943)

Maslow's Hierarchy of Needs Theory was propounded by Abraham Maslow in 1943. The theory posits that human needs follow a hierarchical pattern, where basic physiological needs must be adequately satisfied before individuals can focus on higher-level needs. The theory presents a five-tier model of human needs, arranged in ascending order: physiological needs (food, water, shelter),

safety needs (security, employment), love and belonging needs (relationships, community), esteem needs (respect, recognition), and self-actualization needs (fulfillment of potential). Maslow contends that individuals are motivated to fulfill these needs in sequence, and unfulfilled lower-level needs dominate one's motivation and attention.

The Relative Income Hypothesis Theory by James Duesenberry (1949)

The Relative Income Hypothesis Theory was propounded by James Duesenberry in 1949. The theory states that an individual's consumption and saving behavior is determined not only by their absolute income but also by their income relative to others in their social reference group. Duesenberry contends that people's satisfaction with their economic situation depends significantly on how their income and consumption compare to those of their peers and neighbors, rather than solely on meeting objective standards of needs.

Conceptual Framework

This section discussed the important variables of this work:

Minimum Wage

Minimum wage represents a key labor market institution that establishes a floor for the remuneration of workers across various sectors of the economy. According to the International Labour Organization (ILO), minimum wage can be defined as "the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract" (ILO, 2022).

Financial Stability

Financial stability at the household level encompasses the ability to maintain a balance between income and expenditures, manage debt effectively, build savings for future needs, and withstand economic shocks without significant deterioration in living standards. According to Lusardi et al. (2011), financial stability represents a state of economic security characterized by sufficient resources to meet current obligations while maintaining the capacity to absorb financial setbacks.

This conceptualization extends beyond mere income adequacy to incorporate dimensions of financial management, asset building, and risk mitigation.

Basic Household Needs

Basic household needs encompass the essential goods and services required for human survival and dignity, constituting a foundational component of household wellbeing. According to Doyal and Gough's (1991) theory of human need, universal basic needs include physical health and autonomy, with intermediate needs encompassing adequate nutritional food, water, protective housing, non-hazardous environment, appropriate healthcare, security in childhood, significant primary relationships, physical security, economic security, education, and safe birth control and childbearing.

METHODOLOGY

In this section the researcher discusses the methods that were used to carry out this study. This is done under the following subheadings: research design, area of the study, population of the study, sample and sampling techniques, instrument for data collection, validation of the instrument, reliability of the instrument, method of data collection and data analysis techniques.

Design of the Study

The study will adopt a survey research design. Survey design is one in which a group of people are studied by collecting and analyzing data from few people considered to be a representative sample of the entire population (Emaikwu, 2015). One of its distinguishing features is that it primarily employs questionnaire as one of the methods for data gathering technique. The survey research design is most suitable in this study because it allows for the collection of data from a large and diverse sample and in the context of this study, by involving multiple civil servants in Ebonyi state. Given the scope of this study, which aims to investigate the perceived impact of minimum wage increase on household well-being among civil servants in Ebonyi state, Nigeria, a survey design is an efficient way to collect data from a significant number of respondents.

Area of study

The study will be carried out in Ebonyi state. The State capital is Abakaliki. Ebonyi state was created on October 1st1966 from part of Enugu and Abia State and it is located in the South-east

Zone of Nigeria with thirteen (13) Local Government Areas, divided into three senatorial zones. Ebonyi State is found in the South-Eastern Geo-Political Zone of Nigeria. The State is bounded in the North, South, East and West by Cross River, Enugu, Abia and Imo State respectively.

The Ebonyi state Civil Service is the administrative structure responsible for implementing government policies and delivering public services in Ebonyi state, Nigeria. It operates through various ministries, departments, and agencies (MDAs), ensuring the smooth execution of governance at the state level. The civil service is guided by established regulations, including the Ebonyi state Civil Service Rules, which govern appointments, promotions, discipline, and general administration. It plays a crucial role in policy formulation and implementation, supporting the state government in areas such as education, health, agriculture, and infrastructure development. Recruitment into the Ebonyi state Civil Service is typically based on merit, qualifications, and adherence to the Federal Character Principle, ensuring fair representation of different groups. However, like many civil services in Nigeria, it faces challenges such as bureaucratic inefficiencies, political interference, and funding constraints.

Population of the Study

The population of the study comprises about 40,000 civil servants across various ministries in Ebonyi state (Ebonyi state Civil Service Board, 2025).

Sample and Sampling Technique

The sample size for the study will be 396 civil servants in Ebonyi state. This sample size is determined using Taro Yamane formula (See Appendix C, p. 101). To arrive at the sample size, convenience sampling techniques will be adopted. The convenience sampling technique is a technique that allows the researcher to select the nearest and accessible individuals as respondents and continue the process until the required sample size has been obtained. In this study, the researcher will select civil servants who happen to be available and accessible at the time of data collection and administer the study instrument to them for completion. Convenience sampling technique is considered appropriate for the study because it will be impossible for the researcher to identify with all the civil servants in Ebonyi state for random selection; hence those who were available and accessible to the researcher will be used.

Instrument for Data Collection

The data collection instrument for this study is a self-structured questionnaire titled "Minimum Wage Increase and Household Well-being Questionnaire" (MWIHWQ). The questionnaire was developed based on a comprehensive review of relevant literature and is designed to assess the impact of minimum wage increases on the financial stability, standard of living, food security, and well-being of civil servants in Ebonyi state. It is organized into two sections, section A and B. While section A seeks information on the demographic characteristics of the respondents, section B is organized into five clusters, denoted as Clusters A, B, C, D, and E, with response options of Strongly Agree (SA), Agree (A), Disagree (D), and Strongly Disagree (SD).

Cluster 1 of Section B (Financial Stability) consists of eight items assessing how the minimum wage increase has influenced financial obligations, savings, debt reduction, and access to credit.

Cluster 2 of Section B (Basic Household Needs) includes eight items examining the impact of wage increases on the affordability of housing, utilities, transportation, and education.

Cluster 3 of Section B (Standard of Living) contains eight items measuring improvements in quality of life, social activities, financial planning, and overall well-being.

Cluster 4 of Section B (Food Security) consists of eight items evaluating the impact of wage increases on food affordability, nutrition, and dietary habits.

Cluster 5 of Section B (Health and Well-being) includes eight items assessing access to healthcare, medical check-ups, health insurance, stress reduction, and overall family health.

Overall, the questionnaire contains a total of 40 items. Scoring for the questionnaire is as follows: Strongly Agree (SA) is assigned a score of 4, Agree (A) receives a score of 3, Disagree (D) corresponds to a score of 2, and Strongly Disagree (SD) is allocated a score of 1.

Validation of the Instrument

The instruments underwent a process of content validation. This involves reviewing the questions and items in the instruments to ensure they accurately measure the intended constructs. Copies of the instrument were given to experts in the Department of Arts and Social Science Education, Ebonyi State University, Abakaliki, to check the appropriateness of the item, content, and clarity of language and suitability of items.

Reliability of the Instrument

To ensure the reliability of the instrument, copies of the instrument will be trial-tested on a sample of 30 civil servants in Ebonyi state who did not constitute the study sample but considered to have similar characteristics to the subjects under study. The reliability index of the instrument will be established using Cronbach Coefficient Alpha method. The choice of Cronbach Coefficient Alpha method is because the instrument is not dichotomously scored (there were no wrong or right answers).

Method of Data Collection

The direct delivery and retrieval method will be utilized for administering the questionnaire, ensuring efficiency and a high response rate. Three trained research assistants will facilitate the distribution and collection process. Before the commencement of data collection, the research assistants will receive detailed instructions on the purpose of the study and the proper procedure for administering the questionnaire.

Each questionnaire will be accompanied by an introductory letter, which will be submitted to the relevant ministries to seek formal permission before engaging civil servants in the study. The letter will clearly outline the objective of the research, emphasizing its significance to both the respondents and the ministries under which they serve.

To ensure timely responses, a maximum of 24 hours will be given to each respondent to complete the questionnaire. Research assistants will follow up with respondents within this timeframe to retrieve the completed questionnaires. This approach will help minimize delays and enhance the reliability of data collection.

Data Analysis Techniques

The data collected will be analyzed using descriptive statistics of Means and Standard Deviation to answer the research questions while Chi-Square Goodness of Fit will be used in testing the hypotheses at 0.05 level of significance. The instrument is in the form of SA, A, D and SD and was scored as follows: SA = 4, A = 3, D = 2, SD = 1. The benchmark for decision is calculated thus:

$$\frac{4+3+2+1}{4} = 2.50.$$

Hence any Mean of 2.50 and above will be considered 'agreed' while those below 2.50 will be considered 'disagreed'. For the Chi-square test of hypotheses, the decision will be based on P-values and Alpha values generated from the Statistical Package for Social Sciences (SPSS). When $P < .05$, the null hypothesis will be rejected and considered "Significant Impact" and when $P > .05$, the null hypothesis will not be rejected and considered "No Significant Impact".

Presentation of Results

Research Question 1: What is the perceived impact of the minimum wage increase on the financial stability of households of civil servants in Ebonyi state?

In answering research question one, the mean scores of the civil servants in Ebonyi state in 2024 were calculated with respect to minimum wage increase. Details are enclosed in appendix V while the summary is presented in table V.

Table 1: The summary of mean scores based on minimum wage increment on civil Servant.

	High	Low	Nile
Mean (X) score	2.38	1.72	1.40

The result in table 1, Shows the mean (X) score of civil servants base on minimum wage increase. Civil servants with high minimum wage increase had a mean score of 2.38. Civil servants with Low minimum wage increase have 1.72 mean score.

Research Question 2: What is the perceived impact of the minimum wage increase on basic household needs of civil servants in Ebonyi state?

In answering research question two, the mean scores of the civil servants in 2024 were calculated with respect to minimum wage increase. Details are enclosed in appendix VI, while the summary is presented in table.

Table 2: Summary of Mean (X) Scores of civil servants based on minimum wage increase.

Minimum Wage Increase on Household			
	High	Low	None
Mean ($\bar{X}$) Scores	1.64	2.27	1.56

The result in table 2. Shows the mean ($\bar{X}$) scores of civil servant based on minimum wage increase. Civil servant with high increment have mean score of 1.64, Civil servant with low increment have a mean score of 2. 27 while Civil servants with no increment at all have a mean score of 1. 56.

Discussion of findings

Minimum Wage Increase on the Financial Stability of Households Of Civil Servants.

The result shows that Civil servant with high minimum wage increment have a mean score of 2.38; Civil servant with low minimum wage increment have a mean score of 1.72; while Civil servant with Nil increment had a mean score of 1.40. This indicates that Civil servants with high minimum wage increment can access good household well being and civil servant with low or nil increment may lack proper household living. (Kushman, Sieber and Harold, 2000).

The second hypothesis which assumed that financial stability have no significant relationship with minimum wage increment was rejected. Since the calculated chisquare table value of 475.26 is greater than the critical table value of 3.84 at 0.05 level of significance.

This reveals that there exists significantly perceived impact of minimum wage increment on household well being. In other words it may be inferred that promoting minimum wage increment

among civil servants, will have a positive impact on household well being. This result is supported by many authors: Clerk (2001)

Minimum wage increase on basic household needs of civil servants.

The result of the study indicates that students with single parents had a mean score performance of 1.64, parents that married just one wife and they are living together have a mean score of 2.27, while those students that come from polygamous family had a mean score performance of 1.56.

This reveals that polygamous family and single parenthood does not favour academic achievement of students. Single parenthood could be as a result of death separating them, or even breakups (divorce). Which ever, way, the students live is incomplete. This goes to emphasize the impact of the family on children's academic achievement.

Osareren (1996) had earlier submitted that family breakups might lead to anxiety in the child which in turn could prove detrimental to the child both intellectually and emotionally. This imply that students that live with both parents would more probably enjoy the affections of both parents and possibly have one making up for the short coming of the other, the effect being positive influences on the intellectual, and psychological development of the student child. It can therefore be summarized that for a student to excel academically in school, the student child should live with both parents during school sections.

On the other hand, is a bad wind that blows no one good. Too many wives's divides the attention of the man from his children's academic supports.

Sometime the result is that they will end up having single parents. This is revealed in the mean $\bar{x}$ scores of the students from such family.

Finally, hypothesis four which assumes that no statistically significant relationship existed between parents' marital status and student academic performance in school was rejected. Since the calculated chisquare value of 462.00 is greater than the critical table value of 3.84 at P. >0.05 level of significance. A closer look reveals that a significant relationship existed.

Summary of Findings

From the analysis above, the following findings were made:

1. The productivity of civil servants in Ebonyi state depends largely on level of minimum wage increase.
2. Appropriate minimum wage increment will enhance positive household well-being of civil servants.

Recommendations

1. Government should at all time consider the minimum wage increment at all level to enable the civil servant perform optimally.
2. Actively encouraging /motivating positive relationship at all level.

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