



# **The Socio-Economic Implications and the Culture for Managing Post Covid-19 Pandemic in Nigeria**

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## **ABSTRACT**

The COVID-19 pandemic has had socio-economic implications for a variety of countries. Nigeria's lockdowns froze economic activity, triggering employment shortages and instability in the supply chain. A recent National Bureau of Household Statistics survey found that over 40 per cent of Nigeria's households could be rated as poor. It was estimated that the economy will shrink from 4.40 per cent to 8.91 per cent. In an attempt to stop a significant downturn in economic activity, the government proposed a stimulus package as part of its post-COVID-19 economic recovery strategy. The government promised a stimulus spending package of N2.3 trillion (about \$5.9 billion) to keep the economy down to minus 0.59 per cent. It's a good start. Yet the government's proposal leaves much to be desired. Critical industries, such as electricity and education, have not been properly considered. There are serious omissions. Investing in the power sector will also aid in the storing and distribution of agricultural goods, another big issue impacting Nigeria's agricultural and manufacturing sectors. There is also the question of deployment. Successive Nigerian administrations have invested large amounts on numerous economic projects in the past, with nothing to show for them as a result of ministerial incompetence and mismanagement. A variety of interventions have failed. A better way to boost the Nigerian economy at this time would be to have concrete and observable goals that could unlock the potential of Nigerians. For example, the government should concentrate on building an encouraging atmosphere for business to flourish.

**KEYWORDS:** COVID-19, Socio-Economic Consequences in Africa and Nigeria, The role of stakeholders in Nigeria.

## **1. INTRODUCTION**

After the debut of COVID-19 in Nigeria on 27 February 2020, the Nigerian economy has seemed to be in turmoil. Thirteen days after its importation from Italy, on 11 March, the World Health Organization declared COVID-19 a global pandemic (WHO 2020). As the spread of the virus continues globally and locally in an unprecedented scale, official responses seem to concentrate primarily in limiting spread across the world through social isolation policies, including the closing of educational facilities, the restriction of work and the movement of citizens, the provision of palliative steps for the "vulnerable and weakest of the poor," and the imposition of nightly steps. Citing Africa in particular, with its high disease burden, underdeveloped infrastructure and safety nets, and poor health systems, the impact of the pandemic is projected to be extreme on the continent. Using the same logic, the study of the country-level effect is not only desirable, but inevitable, to direct the authorities. The probable exacerbating impact of the pandemic on the Nigerian economy is unavoidable for a variety of reasons. Next, the economy is yet to fully rebound from the effects of the 2016 recession. Also, the economy depends primarily on crude oil, the price of which has plunged on the foreign market. Third, foreign exchange reserves dropped from US\$ 45.1 billion at the end of 2019 to US\$ 35.3 billion at the end of March 2020. Fourthly, the country's debt load has been rising since 2015.

## **2. STATEMENT OF THE PROBLEM**

In Nigeria, the coming of Covid-19 pandemic created multi-layered problems including socio-economic lockdowns which frozen various activities, triggering employment cuts and disruptions to the consumer supply chain. Nigeria's reliance on oil for revenue and foreign exchange also left her especially vulnerable to the oil price crash caused by the collapse in demand in the international market due to the pandemic. The Nigerian government, as usual, neglected the underlying issues that have undermined previous economic plans for the country.



Critical sector, such as electricity and education, have not been properly considered. These are serious omissions. Electricity is both erratic and costly in Nigeria. Consistent power supply will boost the efficiency of enterprises and boost the economic outlook of the country. Investing in the power sector will also aid in the storing and distribution of agricultural goods, another big issue impacting Nigeria's agricultural and manufacturing sectors. In addition, investing in the education of Nigerians (particularly in terms of entrepreneurship and practical skills) could help to reduce unemployment.

### **3. OBJECTIVES OF STUDY**

The first objective of this paper is to demonstrate that countries in Africa including Nigeria will be best placed to rebound from the human and economic damages caused by COVID-19 by accelerating attempts to meet the Sustainable Development Goals (SDGs). The second objective of this paper is to show that as countries continue to shift towards recovery, global critical thinking and proactive recovery actions should be put in place to guide the world on a robust path towards achieving the SDGs." The third objective of this paper is to appeal to all stakeholders, including government ministries, departments and agencies, as well as policy makers and operators in the private sector of the economy, to provide due consideration to the aforementioned areas of the Nigerian economy in order to achieve rapid economic growth and social stability in the post-Covid-19 pandemic era.

### **4. LITERATURE REVIEW**

COVID-19 had a huge influence on many countries around the world, though Africa is the last continent to be affected by the pandemic. However, Africa is predicted to be the most endangered continent where the dissemination of COVID-19 has had a significant effect (Moore M, Gelfeld B and Okunogbe A 2020). The continent confirmed its first case of COVID-19 in Egypt on 14 February 2020 and the first case of sub-Saharan Africa was registered in Nigeria on 27 February, with an Italian patient traveling from Italy to Nigeria on 25 February 2020 (WHO and NCDC 2020). Around 19,895 confirmed cases, including 1,017 deaths and 4,642 recoveries, were registered in Africa as of 18 April 2020 from 52 African countries, while two countries (Comoros and Lesotho) were still free of viruses (CDC 2020).

Most of the cases of COVID-19 found in Africa have been transported from Europe and the United States rather than from the initial COVID-19 epicenter of China (New York Times 2020). Africa's fragile health care infrastructure with its massive immune compromised population due to high prevalence of malnutrition, anemia, malaria, HIV / AIDs, tuberculosis and low economic discipline makes it distinct from the other continents that have undergone COVID-19 to date (World Economic Forum 2020). Experts have also argued that, in these conditions, the pandemic in Africa could be more difficult to manage and the effects could be catastrophic (World Economic Forum 2020).

On the other hand, there are no curative drugs or vaccines available to treat COVID-19 presently; thus, protective steps to control the dissemination of this virus are being introduced across the globe, including social distancing, segregation and quarantine, population containment, national locks and travel bans. To date, these initiatives have helped to monitor and minimize the spread of COVID-19, but have consequently struck the global economy and thereby driven nations into a recession (United Nations Human Rights and Counterpoint Weekly Report 2020). African markets were still failing before COVID-19 reached the continent, which could further worsen the economic crisis. A specific COVID-19 response needs to be created for Africa and, in particular, Nigeria, where all these problems, which make the continent more vulnerable and different from the rest of the world, should be taken into account by all stakeholders in the Nigerian socio-economic development project.

Although it is uncertain what the final impact of coronavirus would be, the early assessments are sobering, with enormous loss of life and livelihoods. The death toll was equivalent to half a million, but is now decreasing worldwide. Initial assessments have demonstrated that there are huge consequences of failure to respond effectively and in an organized way. Global GDP is forecast to contract by 5.2% in 2020, the biggest downturn in economic growth since the Great Depression and much more than the 2008-2009 global financial crisis. In 2020 alone, millions of people an approximate 35 to 60 million could be forced into severe poverty, reversing the weakening global trend of the last



twenty-plus years. Some 1.6 billion people employed in the informal sector, including the economy, are estimated at risk of losing their livelihoods, many of whom lack access to any sort of social security.

An extra 10 million children in the world could experience acute hunger, and the amount of people suffering acute food shortages could almost increase from 2019, rising to 265 million. School closures have impacted more than 90 % of the world's student population—1.6 billion children and adolescents. More detailed details on global sustainable development activities will be announced on 7 July in the Progress Update on the 2020 Sustainable Development Goals. Decisions made now on whether to return to the pre-pandemic world or to a more prosperous and inclusive world will help influence potential outcomes.

Past success in meeting many of the targets is a consideration in reducing the magnitude of impacts on lives and economies. For example, achieving SDG 6, which stresses access to clean water, is important to encourage people to wash their hands daily, which is one of the top virus-repelling techniques recommended by the World Health Organization. SDG 11, which calls for healthy cities and neighbourhoods, has proved to be crucial in reducing the spread of the virus to people living in crowded environments or without access to public resources. And SDG 3 concerns the need to treat pre-existing health problems, such as non-communicable diseases, which have been reported as a significant factor in more serious cases of COVID.

Progress in encouraging good jobs (SDG 8), increasing access to affordable health services (SDG 3) and providing access to the Internet for education and work (SDG 9) will help to minimize and alleviate the severity of adverse effects. The policy brief has shown the main priority of the SDGs and to leave no one behind and must be central to planners and decision-makers when implementing COVID-19 recovery policies. These initiatives should be implemented with a view to protecting disadvantaged populations, including young people who face unemployment, children who do not have access to online learning resources, and women who face a disproportionate rise in the cost of care work and a higher risk of domestic abuse. SDGs may act as a prevention measure against potential shocks, but reactions may have to deviate from business as normal, taking this delay to take more equitable and productive ways forward.

In order to prevent the worst consequences of COVID-19, countries should give priority to intervention in three areas: defending the progress already achieved towards the SDGs, accelerating the universal provision of quality public services and preserving the environmental improvements of that time in order to reverse the worsening of nature patterns.

## **5. METHODOLOGY**

The study employed a systematic analysis approach including a thorough review of previously published study papers on Covid-19 Pandemic outbreak to examine and synthesize the relevant details contained in this paper. The paper also utilized a number of secondary data points, including magazines, newspapers, websites, government documents and the related published works to evaluate the Socio-Economic Implications of Covid-19 pandemic incursion in to nigeria and the necessary steps-culture for Managing the post Covid-19 Pandemic era in the country.

## **6. FINDINGS AND DISCUSSION**

The paper argued that, in order for Nigeria to rebound rapidly from the current pandemic, social and economic decline and to create social cohesion in the post-Covid19 period, the following recommendations should be carefully considered by the government.

### **1. Less Stringent Customs Oversight and Counter Corruption**

Some developed countries are being kept back by over-restrictive control of commerce and trade, corruption and high costs of doing business. In order to draw both domestic and inward investment, it is important to eliminate these costs



and create a business-friendly environment. It may not be easy to combat corruption, but it is also one of the main constraints to economic growth. Furthermore, in an attempt to minimize the degree of regulation, it is critical that valuable regulations, such as environmental protection, are not ignored in attempts to draw inward investment. Otherwise, economic growth will come at the cost of sustainable sustainability.

## **2. Embrace Privatization and Deregulation Measures**

The decision to move from a socialist economy to a hybrid economy was a significant part of China's rapid economic growth. Several state-owned industries have been privatized. This offers companies a profit opportunity to reduce overhead and to strive for greater productivity. Deregulation means making government-owned companies face competition. This increased economic demand will serve to build incentives to reduce prices. Greater economic pressures will also be exerted by liberalizing trade and opening up economies to international competition. The possible challenge with privatization is that it will intensify differences throughout culture. In Russia, privatization has allowed a limited group of oligarchs to gain ownership of key industries at a low cost. Probably, this does nothing for economic growth, because the nation's wealth become the property of a limited group of extremely wealthy people, and the poorest citizens of society have little to do with them.

## **3. Introduce Efficient Tax System and Tax Recovery Initiatives**

One of the problems that emerging countries frequently face is properly taxing and collecting what they are expected to do. If the government is unable to raise adequate revenue from the richest part of the economy (e.g. development of natural resources), there would be no funding to support the requisite public sector spending in high social benefits programs. For example, the average tax rate in sub-Saharan Africa is just 15% of GDP – opposed to an average of 40 % of GDP in the developing world. But the total rate of tax generation in sub-Saharan African countries was just 13.3 per cent of GDP between 1990 and 1994. They rose only marginally to 15.6 per cent between 2000 and 2006 much of this marginal growth came from sources such as value-added taxes, which tend to affect the poor rather than the rich.

## **4. Investments in public care**

Business distortion also exists in fields such as schooling, healthcare and transport the free market does not offer an adequate standard of education. Increasing the degree of literacy and numeracy is a crucial factor in enhancing economic growth. Without basic standards of education and preparation, it is very difficult for the country to evolve into a higher value-added sector. Evidence of profits from investing in education is mixed. Investment also takes a long time to feed straight into higher rates of economic growth.

## **5. Diversification from exportation of oil and gas**

The limitation that most emerging economies, including Nigeria, which face is that their current competitive advantage lies in the development of primary goods. However, this generally limits economic growth due to unpredictable prices, low-income market elasticity and the limited value of primary products, such as Nigeria's reliance on oil and gas, which account for around 90 per cent of the Nigerian economy's source of income. Economic growth may also enable the government to promote new industries in various sectors, such as manufacturing. This could include a temporary duty on tariffs.

## **7. CONCLUSION AND RECOMMENDATIONS**

As of now, COVID-19 tends to spread worldwide, with diminishing mortality rates, with some improvement in containing the virus in the African continent relative to other areas of the world. As a consequence, the quick action



taken against this pandemic introduced by the governments has so far been successful. However, since the bulk of the African people live from hand to mouth, these steps can not last long. For example, certain nations, including Nigeria, South Africa and Ghana, have already begun to remove or loosen these constraints due to the strong effect on their economies.

As a result, in addition to numerous constraints, more mitigation measures are required to boost the economies of several African countries. Based on previous practice, there is a likelihood of more scoping and suppressing the spread of COVID-19, provided that governments and the public change their actions and ignorance towards the virus as they have done before with Ebola, HIV, Polio and other pandemic outbreaks. It should not come as a surprise, though, that Africans cannot confront this on their own, and thus, in some way, global assistance would allow Africa to move forward with this pandemic.

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