MPRI-JAIMR | INTERNATIONAL JOURNAL OF AFRICAN INNOVATION & MULTIDSCIPLINARY RES.
VOL. 02 NO. 1 OCT-2023 ISSN: 1116 - 3240

IMPACT OF COVID-19 PANDEMIC ON UNEMPLOYMENT IN NIGERIA

AMMIE UCHE EGBUFOAMA; PROF. EUGENE T. ALIEGBA; & RUTH CALEB Ph.D

Department of Political Science, Nasarawa State University, Keffi, Nasarawa State - Nigeria.

Abstract

Unemployment is a great and pervasive problem in Nigeria, leading to poor state of livelihood among the populace. This study examines impact of Covid-19 pandemic on unemployment in Nigeria. Institutional theory was adopted. In carrying out this study, both primary and secondary data were used. Primary data involves obtaining information by means of interviews and questionnaire to gauge the opinions of stakeholders. On the other hand, secondary data involves the collection and examination of available data of relevance to the thesis at hand. They include relevant textbooks, journals and periodicals, seminar papers, reports, magazines and internet. The study observed that COVID-19 pandemic has increased the rate of unemployment in Nigeria. Also, it was revealed that COVID-19 pandemic has had a negative effect on industrial manufacturers, crude oil companies, energy companies, educational institutions, financial institutions, communication companies, technology and entertainment companies and labour force constituents; thus, the employability of youths is suffering in the time of COVID-19. Furthermore, COVID-19 pandemic has had its share of blame on some matters in Nigeria such as poverty, oil and government revenues, pricing, capital inflows, and mobility restrictions. From the analysis carried out, the impact of COVID-19 pandemic on unemployment in Nigeria shows that the Nigeria's unemployment rate ranked 30.1 percent in the fourth quarter of 2020. The study reveals that the unemployment rate among young people that is, ages 15-34years is 30.1%, up from 26.7%. The study also finds that 64% of the considerably increased inflows from employment into unemployment were due to the COVID-19 shutdown measures. It has been also established in the study that as at the fourth quarter of 2020, youth unemployment rate rose to 30.1% indicating that about 22,764,614 million Nigerian youths remain unemployed. The study concludes that, in sum, the shutdown measures amplified increased unemployment in Nigeria. The study recommended the government and the private organizations should create online and digital jobs for youth, by this they earn and take care of their family. This possibly could add values to the individual currencies and lessen the effects of COVID-19 on the GDP. Government can help private companies to stay afloat, also the government should enact fiscal, monetary, and financial policies to protect the vulnerable groups, mitigate economic losses and assist economy recovery.

Keywords: Impact, Covid-19, Pandemic, Unemployment and Nigeria.

EDITOR-IN-CHIEF
Prof. A.I. Mteiye [MALAWI]

Introduction

Unemployment is a global trend, but occurs mostly in developing countries of the world, with attendant social, economic, political, and psychological consequences. The COVID-19 health crisis turned into a global economic crisis, putting at risk the health, jobs and incomes of millions of people around the world. The strict containment measures adopted by many countries first half of 2020 to flatten the rise in contagion put a substantial brake on most economic and social activities. The collapse in total hours worked, and the decline in participation have not been seen in peacetime since the Great Depression. Economic development is sacrosanct to any kind of social welfare. This is because it is usually taped upon for its vital financial resources employment generation and promotion of growth. Little wonder every nation thinks of economic development as its future development plans and work to achieve it. Development in whatever form it takes is a sine - qua - non for social welfare. It determines the nation state. This is because economic activities contains inbuilt variable needed to change a society's pattern of behavior even it leadership structure.

Covid-19 pandemic has a far reaching economic impact on the world economy generally. Demertzis, Sapir, Tagliapietra and Wolff (2020) point out the volatility of the global economic scene as it is currently has not been witnessed since 2008 during the global financial crisis. Tourist centres such as France, Italy witnessed 30 to 80 percent fall in the number of tourists visiting the countries. In response to the issue, the World Health Organisation (WHO) on the 11th of March 2020 declared the corona-virus public health crisis a pandemic due to number of infected persons and the resultant deaths (World Health Organisation, 2020). African countries are not immune from the COVID-19 pandemic and its varying implications. Countries such as South Africa, Algeria, Senegal, Nigeria, Ghana, Central African Republic, Congo and many more have recorded incidents of the corona-virus pandemic.

Poverty remains deep and pervasive as unemployment continues increasing in Nigeria. Nigeria has one of the largest youths labour force cohorts in the world with over 35% of the country's population falling within the age group of 15-34 (Akindare, 2020). With unemployment among this demography, the risks of depression and apathy are especially high. The International Labor Organization (ILO) estimated that 195 million jobs were lost in the second quarter of 2020 as a result of COVID-19 (Akindare, 2020).

In spite of governments' bold efforts to support firms and protect jobs through job retention schemes, millions of workers across the G20 have lost their jobs. Meanwhile, many self-employed workers saw their incomes collapse. Therefore, the majority of G20 countries took immediate steps to improve the accessibility to, and generosity of, unemployment minimum-income benefits. Alongside these efforts, several countries introduced new cash transfers targeted at those who remained without cover, supported expenses or, in a number of cases, introduced universal transfers to ensure no one fell through the cracks. Providers of private and public employment services (PES) have been placed under a severe stress test as demand for their services sky-rocketed in the first few months of the crisis while their capacity was severely constrained by the need to curtail face-to-face contact with job seekers. Governments responded by simplifying procedures for claiming benefits and ramping up the digitalisation of services such as registering for job search assistance and applying for benefits. Opportunities for online learning were also increased.

EDITOR-IN-CHIEF
Prof. A.I. Mteiye [MALAWI]

Before COVID-19, Nigeria's unemployment rate was already sky high at 23% while underemployment stood at 16%, according to a 2018 report by National Bureau of statistics (NBS). This has worsened with the pandemic. The implication is that more Nigerians, especially in the lower middle class, could potentially be forced to live below poverty line (Global Citizen, 2020). Unemployment has been the bane of national development and security in Nigeria. In the second quarter of 2020, unemployment rate increased to 27 percent (Zhema and Adihikon, 2020). This claims which is not at variance with statistics presented by Statista (2021) shows that, the unemployment rate in Nigeria was approximately 7.96 percent in 2020. This is relatively high when compared with the rate of unemployment in 2015 when it was 4.31 percent. COVID-19 pandemics and its corresponding and necessary measures to curtail the spread namely lockdown and restriction of movement, has affected almost all spheres of human existence with unemployment not being an exception in Nigeria. Many people especially in the private sector either lost their jobs or not being paid their salaries as long as the first phase of lockdown lasted. Small and Medium-sized Enterprises (SMEs) where most of our youths are engaged was badly hit by the pandemic, the resultant effect of which is unimaginable as we shall see later in this piece.

The total or partial lockdowns enforced by the government in an effort to curb the spread of the virus has generated enormous socio-economic crisis, business closures, unemployment rate skyrocketed, bankruptcies, and loss of livelihood in the Federal Capital Territory (FCT) which the scope of this is focus on because the Lockdown actually began in the FCT and Ogun state. It is in line with the foregoing that this study attempted to examine the impact of covid-19 pandemic on unemployment in Nigeria.

Objectives of the Study

i. To assess the impact of Covid-19 pandemic on unemployment in Nigeria.
ii. To examine how lockdown affect financial performance of Small and Medium Enterprises (SMEs) business in Nigeria;

Literature Review

Adegboye, Adekunle and Gayawan (2020) acknowledge that Covid-19 pandemic has worsened the economic condition in Nigeria, making it even harder for employers to create more jobs. As well, the private sector has relied on cutting jobs in the guise of downsizing and right sizing to reduce overheads and stay afloat (Oyekan, Adetunji, & Bafeto, 2020). Adegboye, Adekunle, and Gayawan, (2020) work also buttressed the high rate of Nigerians seeking greener pastures outside the country with most of them highly skilled and looking for jobs of the future. According to Adeniran and Sidiq (2019) about 12,600 Nigerians gain permanent residency in Canada last year helping the country to become the fourth-leading source country of new immigrants to Canada, behind India, China, and the Philippines. Adeniran and Sidiq (2019) explain that in the year 2018, the Government of Canada revealed Nigeria ranks third in the rating of the countries with the highest number of Express Entry invitations to Canada in 2018.

Akanni and Gabriel (2020) investigated the implication of COVID-19 on the Nigerian Economy, it was discovered covid-19 pandemic led to disruption of activities and economy instability. It was seen that factors like social distancing, stay at home, limitation in spending and supply factor which include; cutting or stopping production and output have negative impact on economy growth. These have led to increasing poverty and unemployment rate. The National Bureau of Statistics

(NBS) report 2020 placed Nigeria 21 among 181 counties with high unemployment rate of 23.1%, it is estimated that about 87million surviving with less than $2 a day benchmark. Furthermore, Ozili (2020) examined "COVID-19 in Africa: Socio-economic impact, policy response and opportunities in Africa." The design employed was discourse analysis. The results show that the corona-virus pandemic has had a significant effect on African countries. The pandemic is having its toll on economic activities and social interaction through the safety measures put in place to curtail the pandemic, such as physical distancing. A major implication of the study is the influence of social policies on the social and economic well-being of citizens, especially the drastic reduction in economic activities. What was not explained is the study failed to explain the impact of Covid-19 pandemic on unemployment in Nigeria which is a specific objective of this study.

Teachout and Zipfel (2020) examined the economic impact of COVID-19 lockdowns in sub-Saharan Africa. The study sought to quantify the impact of lockdowns on people'slivelihoods. Consistent with the outcomes of recent surveys of income streams under lockdowns, assumptions were made on the likely impact of COVID-19 containment measures on various sectors in sub-Saharan Africa. They hypothesized that workplace closures occasioned by the lock- down are likely to have a severe effect on the economy. Meanwhile, the study did not make reference to how the lockdown affect financial performance of Small and Medium Enterprises (SMEs) business in Nigeria.

Thurlow (2020) examined "COVID-19 lockdowns are imposing substantial economic costs on countries in Africa". The study presented an assessmentof the economic effects of COVID-19 in some African countries with a specific focus on their varied effects on different sectors and types of households. The challenges for governments in responding to the crisis and progressing to policy formulation and implementation for medium and longer-term economic recovery are indicated. How the lockdown affect financial performance of Small and Medium Enterprises (SMEs) business in Nigeria was not discussed.

Mezie-okoye (2020) evaluated the socio-economic impact of Covid-19 pandemic on women and girls in Nigeria. Secondary method of data collection was utilized. The study noted that the impacts of crises are never gender-neutral, and COVID-19 is no exception. For the single mother in Nigeria, COVID-19 lockdown measures has paused her small business that brings food to the table. This study dwelled on the impact of corona-virus on women and girls both at homes and workplaces. The study argued that majority of health workers are women and this pandemic impacted on them negatively. It is not only that they are impacted greatly but also the lockdowns brought with it violence against these women by their partners and girls who were in schools before the covid-19 lockdowns are violated and some became pregnant and most unlikely to go back to school after the pandemic lockdowns. The study looked at the pandemic and gender equality, effects on girls' education, and its socio-economic impacts on women and girls. The importance of this was to x-ray and evaluate the intricacies of covid-19 as it applies to women and girls in Nigeria. While everyone is facing unprecedented challenges, women are bearing the brunt of the economic and social fallout of COVID-19. Meanwhile, the study failed to explain the impact of Covid-19 pandemic on unemployment in Nigeria.

Institutional Theory

The study adopted Institutional theory. Institutional theory was introduced by Meyer and Rowan (1979) as a means to explore further how organizations fit with, are related to, and were shaped

by their societal, state, national, and global environments. The theory has been broadened in the decades since its introduction.

Institutional theorists assert that the institutional environment can strongly influence the development of formal structures in an organization, often more profoundly than market pressures. Innovative structures that improve technical efficiency in early adopting organizations are legitimized in the environment. Ultimately these innovations reach a level of legitimization where failure to adopt them is seen as "irrational and negligent" (or they become legal mandates). At this point new and existing organizations will adopt the structural form even if the form doesn't improve efficiency (Meyer & Rowan, 1979).

Meyer and Rowan argue that often these "institutional myths" are merely accepted ceremoniously in order for the organization to gain or maintain legitimacy in the institutional environment. Organizations adopt the "vocabularies of structure" prevalent in their environment such as specific job titles, procedures, and organizational roles. The adoption and prominent display of these institutionally-acceptable "trappings of legitimacy" help preserve an aura of organizational action based on "good faith". Legitimacy in the institutional environment helps ensure organizational survival.

However, these formal structures of legitimacy can reduce efficiency and hinder the organization's competitive position in their technical environment. To reduce this negative effect, organizations often will decouple their technical core from these legitimizing structures. Organizations will minimize or ceremonialize evaluation and neglect program implementation to maintain external (and internal) confidence in formal structures while reducing their efficiency impact.

DiMaggio and Powell conclude that the net effect of institutional pressures is to increase the homogeneity of organizational structures in an institutional environment. Firms will adopt similar structures as a result of three types of pressures. Coercive pressures come from legal mandates or influence from organizations they are dependent upon. Mimetic pressures to copy successful forms arise during high uncertainty. Finally, normative pressures to homogeneity come from the similar attitudes and approaches of professional groups and associations brought into the firm through hiring practices (Meyer & Rowan, 1979).

According to institutional theory exponent Paul DiMaggio and Walter Powell, organizations can achieve institutional isomorphism via three main avenues:

i. **Coercive process**: organizations adopt changes consistent with the larger institution because of pressures from other organizations upon which they might depend or by which they might be regulated, such as state mandates or supplier demands.
ii. **Mimetic processes**: organizations adopt other organizations' practices in order to deal with internal uncertainty about their own actions, strategy, etc.
iii. **Normative pressures**: organizations adopt changes related to the professional environment (such as new ways of conducting business) in order to be consistent with the larger institution and gain more legitimacy.

A word of warning about institutional isomorphism from Meyer and Rowan: Organizations that conform to rules of the institutional environment in order to appear more legitimate may actually run the risk of reducing productivity in the work that they do. They add that rate of institutional isomorphism is increased when firms: are highly dependent on the institutional environment, exist under high uncertainty or ambiguous goals, rely extensively on professionals.

Institutional theory gives us a way to understand how organizations might navigate rules and norms of the system in order to appear legitimate and survive. Another word for this system is institutional environment. When organizations try make their actions consistent with the expectations of the institutional environment, they work toward something called institutional isomorphism.

In the COVID-19 situation, while regulations surrounding social distancing in many countries remain fluid and confusing, institutional entrepreneurs have taken it upon themselves to proactively conceptualize and implement distancing guidelines. A good example of tinkering and institutional entrepreneurship is offered by Walt Disney and the great lengths to which it went in formulating and implementing social distancing while reopening its Shanghai theme park. Walt Disney's actions not only represent broad conformance to existing societal norms and expectations, but also speak to creativity and innovation in tackling the COVID-19 crisis through a successful reopening protocol. These actions have been carried out by most SMEs in Nigeria using the institutional theory approach. Hence, by adopting basic institutional approach, i.e., by proactively using commonsense and creativity within a regulatory framework, SMEs can gain social acceptance, legitimacy and carry on in a period of pandemic like Covid-19.

Methodology

The research design adopted in this study is descriptive research design, because of the type of data required in the study. The use of descriptive research design in this study involved data collection and data analysis on the Covid-19 pandemic and Nigeria's economic development. The study population for this study comprises the staff of Nigerian Center for Disease Control (NCDC), Central Bank of Nigeria (CBN) Abuja, Federal Ministry of Trade and Investments, Abuja, Nigeria Export Promotion Council, Abuja, Abuja Chamber of Commerce and Industry and Nigeria Bureau of Statistics (NBS). The foregoing organisations are selected because the population units are directly involved in issue relating to the impact of Covid-19 pandemic on unemployment in Nigeria. Therefore, the target population of this study stand at one thousand, five hundred and thirty - eight (1,538) persons. The sample size was determined using Rakesh statistical formula to arrive at 400. This study adopted purposive sampling technique for interview. The technique allowed the researcher to choose the sample on the basis of some predetermined characteristics such as deep knowledge of the issue under study, while for the distribution of questionnaire, simple random technique was employed. The research explores data from both primary and secondary sources, and these include the use of questionnaire, interview, daily news paper and Journals to elicit information relevant to the study. The study used 5-point Likert scale questionnaire for its investigation making provisions to tick options that are relevant to their opinion. These options are Strongly Agree, Agree, Strongly Disagree, Disagree and Undecided. This open-ended questionnaire technique allowed respondents to express his/her opinion on issues in relation to the research problem. Interview method of data collection has many variants, but the study adopted in-depth interview method because it permits the researcher in generating data from only those with expert knowledge on issues relating to impact of Covid-19 pandemic on unemployment in Nigeria.

Data from copies of questionnaire was analyzed using the statistical package for social science (SPSS) version 23.0. As a descriptive statistical tool, it was used to analyze the socio-demographic factors of respondents and responses on the research questions. Data from in-depth interview was analyzed base on content analysis. Four hundred (400) copies of questionnaire were distributed

to the respondents of which three hundred and eighty-one (381) copies of questionnaire were duly completed and returned.

Data Analysis and Interpretation of Results

Table 1: Impact of Covid-19 Pandemic on Unemployed and Underemployed Graduates in Nigeria

Options	Frequency	Percentage
Increase in crime rate	77	20
Increase in poverty rate	87	23
Loss of government revenue	48	13
Increase in loss of job	89	23
Fall in house hold consumption	80	21
Total	**381**	**100**

Source: Field Survey (January, 2023).

Table 1 shows the distribution of respondents based on their opinion on the impact of Covid-19 pandemic on unemployed and underemployed graduates in Nigeria; 89 respondents who are the majority accounting for 23% attested that Covid-19 pandemic has caused increase in loss of job thereby affecting Nigeria's economic development. This is followed by 87 respondents representing 23% indicating that the Covid-19 pandemic has impacted on unemployed and underemployed graduates in Nigeria by increasing poverty rate, while 80 respondents representing 21% indicated that fall in house hold consumption is the impact of Covid-19 pandemic on unemployed and underemployed graduates in Nigeria and 77 respondents representing 20% indicated that the impact of Covid-19 pandemic can be seen in the increase in crime rate while loss of government revenue is 13%. However, the responses above prove that Covid-19 pandemic has impacted negatively on Nigeria's economic development.

Table 2: Unemployment Rate Before and During COVID-19 Pandemic

Year	Unemployment (%)	Proportion of Youth Unemployment in Labour Force (%)
2017	**21.7**	47
2018	**23.1**	55
2019	**26.7**	**60**
2020	**30.1**	**64**

Source: National Bureau of Statistics (NBS), (2020).

From the table above, unemployment rate as at the fourth quarter of 2017 was 21.7% while the proportion of youth unemployment in the labour force increase to 41%, indicating that about 19.4 million Nigerians remain unemployed. Also, the data revealed that unemployment rate as at the fourth quarter of 2018 was 23.1% as the proportion of youth unemployment in the labour force increase to 47%, indicating that about 20.6 million Nigerians remain unemployed. Likewise, unemployment rate as at the fourth quarter of 2019 showed 26.7% while the proportion of youth unemployment in the labour force increase to 55%, indicating that about 20.7 million Nigerians remain unemployed. Again, the unemployment rate as at the fourth quarter of 2020 was 30.1% as

the proportion of youth unemployment in the labour force increase to 64%, indicating that about 22.7 million Nigerians remain unemployed. The table above shows that the various impacts on unemployment have actually led to economy down fall, the government must participate by investing and making policies that will encourage the private sector and public sector to participate actively in the economy.

This is further confirmed by interview response supplied an official of the Federal Ministry of Trade and Investments on this day January 27th (2023) where he exposed that:

> As a significant producer of crude oil, any loss of export revenue would impact the economy. Over 90 per cent of the total value of Nigeria's exports is related to products from the petroleum industry, including crude oil. Since the outbreak of the COVID-19 pandemic, prices of crude oil have plummeted to under $20 per barrel, which is the lowest since 2002. The loss of oil revenue severely impacted on Government expenditure including funding for its social safety net programs that are critical to cushion the most vulnerable households from the impact of COVID-19. Reduced social protection programs see a rise in vulnerabilities, and income inequality impact livelihoods and extreme poverty. High unemployment and poverty and social and political unrest rise as a result of widespread interruption to trade, livelihoods and services due to Government restrictions to prevent the spread of COVID-19. Many people in rural and urban areas already face poverty and struggle to get food and the situation could worsen in the COVID-19 epidemic. The very poorest often depend on casual labor and menial jobs in the informal sector, and these jobs were affected by conditions of a lockdown or enforced social distancing associated with COVID-19 mitigation and control.

In agreement to the above, Ozili (2020) argued that there are five main ways through which the COVID-19 pandemic spilled over into Nigeria. One, the COVID-19 pandemic affected borrowers' capacity to service their loans, which gave rise to non-performing loans (NPLs) that depressed banks' earnings and eventually impaired banks' soundness and stability. Subsequently, banks were reluctant to give additional loans to borrowers as more and more borrowers struggled to repay the loans granted to them during the COVID-19 outbreak. Two, there were oil demand shocks which was reflected in the sharp decline in oil price. The most visible and immediate spillover was the drop in the price of crude oil, which dropped from nearly US$60 per barrel to as low as US$30 per barrel in March. During the pandemic, people were no longer travelling and this led to a sustained fall in the demand for aviation fuel and automobile fuel which affected Nigeria's net oil revenue, and eventually affected Nigeria's foreign reserve.

According to the statistics from the Manpower Board and the Federal Bureau of Statistics (2019), Nigeria has a youth population of 80 million, representing 60% of the total population of the country. 64 million of them are unemployed, while 1.6 million are under-employed. The significant percentages of the population are graduates. With the outbreak of COVID-19 pandemic, unemployment has increased. According to the report of COVID-19 survey by the National Bureau of Statistics (NBS), Out of the 1,950 households surveyed on a nationally representative sample, 42% of the respondents who were working before the outbreak were no longer working the week preceding the interview for reasons related to COVID-19. Further breakdown showed that the

poorest households (from the lowest consumption quintile) reported the highest share of Nigerians who stopped working (45%), while 35% of the wealthiest households were also affected. Still on the impact of COVID-19 pandemic on unemployment in Nigeria, a staff of the Federal Ministry of Trade and Investments lamented on this day January 27th (2023) that: Most graduate who had plan of getting a befitting job had to stay home since most companies are not recruiting. Also, a lot of companies had to retrench their staff to reduce cost and still make profit at the long run. As the outbreak intensifies, Nigeria's services, trade and financial sectors continues to suffer significant disruptions. Furthermore, frustrations resulting from economic loss also played into existing regional fault lines within Nigeria. There has been a 20% increase in the number of rape cases in Nigeria. There had also been quite several increases on cybercrimes.

Closely related to the above is the study conducted by Thomas, Musa, Audu, Akpata, Kashim and Alih (2022) on the nexus between COVID-19 pandemic and social problems in Nigeria, with focus on its perceived threat to the attainment of Sustainable development Goals, SDGs. The study findings on crime show an increase in organized crime, rising level of cyber crime, violent crime, gender-based domestic violence, extra-judicial killings as well as palliative fraud while fall in real Gross Domestic Product, agrifood system GDP, and spread of poverty to urban areas, hunger and starvation, among others, were found to be the impact of COVID-19 pandemic on poverty. Similarly, the study findings on the impact of COVID-19 pandemic on unemployment show that, Small and Medium-Sized Enterprise was badly affected, people lost their jobs, underemployment and youth unemployment worsened during the pandemic. What makes the study different from this current one is the methodology used which is solely secondary source of data and contently analyzed.

At another level, Statista (2020) found that unemployment rate rose from 8.53% in 2019 to 9.01% in 2020. This is in tandem with the submission of the United Nations Development Program as presented by the National Bureau of Statistics (2021), the vast majority of business operating in Nigeria suffered business closure, change in hours of operation and change in operational costs, among other unemployment-driven circumstances. The aforementioned is in tandem with the findings of Proshare Intelligent Investing (2021) with reference to data released by National Bureau of Statistics on unemployment and labour statistics on Q4'20, the number spiked 6.2% to 33.3% from 27% in Q2'20. The COVID-19 pandemic has fuelled youth unemployment in Africa's largest economy, which has risen for 5 consecutive years to about 14% (Reuters, 2021).

This is not far from the findings of Adebimpe, Adetunji, Nwachukwu and Hieu (2021) that, unemployment rate among young people, ages 15-34 years is 30.1% in the fourth quarter of 2020, up from 26.7% in the preceding quarter due to the COVID-19 shutdown measures. This corroborates Aleruchiegbulu and Obinachiwori (2020) who found that, as the virus continues to ravage the world, businesses are shutting down and people are losing their jobs or put on "Stand by" without salaries, which has affected negatively on the employers, employees, their families and others that depend on them.

Table 3: Respondents' Responses on How Lockdown Affect Financial Performance of Small and Medium Enterprises (SMEs) Business in Nigeria

Responses	Frequency	%
It caused retrenchment of employees leading to hunger and poverty	121	**32**
It brought about "work from home" syndrome leading to low productivity	102	**27**
COVID-19 led to loss of jobs due to closure of companies, factories & enterprises	132	**35**
All of the above	26	**6**
Total	**381**	**100**

Source: Field Survey (January, 2023).

EDITOR-IN-CHIEF
Prof. A.I. Mteiye [MALAWI]

Table 3 above shows the distribution of the respondents based on their responses on how lockdown affect financial performance of Small and Medium Enterprises (SMEs) business in Nigeria. Analysis reveals that 121 respondents representing 32% responded that it caused retrenchment of employees leading to hunger and poverty, 102 respondents representing 27% indicated that it brought about "work from home" syndrome leading to low productivity, 132 respondents representing 35% responded that COVID-19 led to loss of jobs due to closure of companies, factories & enterprises while 26 respondents representing 6% indicated all of the above mentioned responses. Therefore, it is safe to conclude that the lockdown negatively affect financial performance of Small and Medium Enterprises (SMEs) business in Nigeria.

The above responses is further supported by an interview result gotten from an official of Federal Ministry of Trade and Investments on this day January 23rd (2023) where he noted that the challenges facing the growth and survival of Small and Medium Scale Enterprises (SMEs) in many developing countries like Nigeria are monumental. The most worrying among these challenges is funding. Most new small business enterprises are not very attractive prospects for banks, as they want to minimize their risk profile. The low level of SMEs development in Nigeria was generally attributed to the poor implementation of government policies aimed at SMEs support facilities and incentives, including loans, training facilitates, industrial estates, infrastructure and the provision of raw materials at subsidized rates for SMEs not until recently compounded by the outbreak of Covid-19 Pandemic. In other to contain the spread of the virus, the federal government instituted several measures, including a complete lockdown in the nation.

He went forward to lament that this measure became a major constraint to business and specifically, SMEs due to; restrictions of movement, ban on market places, transport restriction and social distancing order. The SMEs have been badly hit by the outbreak of Covid-19 in Nigeria mostly due to the introduced lockdown measure. Many of their owners, who live by daily incomes from sales, suffered serious deprivation. There were major disruptions and of production, consumption, stocks and prices. Logistics of transportation were interrupted, making inventory management a complex phenomenon.

An interview response with a senior staff of the Nigeria Bureau of Statistics (NBS) on this day January 26th (2023) reveals that the informal sector workers and the MSMEs are also affected. Nigeria's economy is largely informal. With the COVID-19 induced lockdown, several businesses in this category have not been operational. As such, many small-scale retailers, artisans, construction workers, farmers, street vendors, etc. who depend on wages, or eke out a living on a daily basis, have become vulnerable and forced into a trade-off situation between their health and livelihoods sustenance under the prevailing circumstances. The COVID-19 pandemic and the associated lockdown instituted to mitigate its spread have a proportionately large impact on the informal sector and MSMEs. He concluded that the informal and MSMEs sectors are major sectors of the Nigerian economy.

Discussion of Findings

i. Base on the first objective, the study observed that COVID-19 pandemic has increased the rate of unemployment in Nigeria. Also, it was revealed that COVID-19 pandemic has had a negative effect on industrial manufacturers, crude oil companies, energy companies, educational institutions, financial institutions, communication companies, technology and entertainment companies and labour force constituents; thus, the employability of youths is suffering in the time of COVID-19. Furthermore, COVID-19 pandemic has had its share of blame on some matters in Nigeria such as poverty, oil and government revenues, pricing, capital inflows, and mobility restrictions. Unemployment is a great and pervasive problem in Nigeria, but the point must be made that it is not peculiarly a Nigerian problem.

The impact of COVID-19 pandemic on unemployment in Nigeria shows that the Nigeria's unemployment rate ranked 30.1 percent in the fourth quarter of 2020. The study reveals that the unemployment rate among young people that is, ages 15-34years is 30.1%, up from 26.7%. The study also finds that 64% of the considerably increased inflows from employment into unemployment were due to the COVID-19 shutdown measures. It has been also established in the study that as at the fourth quarter of 2020, youth unemployment rate rose to 30.1% indicating that about 22,764,614 million Nigerian youths remain unemployed.

ii. Base on the second objective, the study revealed that the Small and Medium Enterprises (SMEs) business in Nigeria (SMEs) have been badly hit by the outbreak of Covid-19 in Nigeria mostly due to the introduced lockdown measure. Many of their owners, who live by daily incomes from sales, suffered serious deprivation. There were major disruptions and of production, consumption, stocks and prices. Logistics of transportation were interrupted, making inventory management a complex phenomenon. This is because the lockdown constrained human and vehicular movement and thus economic activities.

Conclusion

Youth have been hit hard by school closures and the closing down of entry-level jobs in the labour market as well as internships and apprenticeships. High and persistent youth unemployment and underemployment in the aftermath of the global financial crisis showed that once young people have lost touch with the labour market or become marginalised in informal and precarious jobs, re-connecting them with good jobs can be very hard with potentially long-lasting scarring effects. The impact of the pandemic and containment measures led to a severe contraction in economic activity as many people were unable to go to work and businesses could no longer operate. The containment measures resulted in a sharp and unprecedented fall in employment in Nigeria. The fall in total hours of work captures both the change in the number of people at work but also any reduction in working hours per week for those workers still at work. As such, the fall in total hours gives an idea of the total impact of the pandemic on employment. Total hours worked fell by more than the decline in the number of employed persons at work in country.

The entry of COVID-19 in Nigeria and the subsequent implications and impact has adversely impacted businesses, households and the economy in general giving rise to unemployment and poverty level. The slowdown of retail and trade activities, as most finished goods flow through the sector to final consumers, has also affected the manufacturing sector, especially for non-essential goods. Manufacturers and distributors found it difficult to replace or replenish their inventory and equipment or machinery, due to supply-chain disruptions globally. Importers and exporters also found it challenging to deliver or bring in goods across most international borders, as the seaports, which is the main route for international exchange of goods, have been impacted by restrictions and the slowdown of industrial activities of major trading partners.

Recommendations

i. As regards the first finding, the government and the private organizations should create online and digital jobs for youth, by this they earn and take care of their family. This possibly could add values to the individual currencies and lessen the effects of COVID-19 on the GDP. Government can help private companies to stay afloat, also the government should enact fiscal, monetary, and financial policies to protect the vulnerable groups, mitigate economic losses and assist economy recovery.

ii. In addressing the second finding of the study, there is a need for public and private employment services to have well-developed digital services and possibilities for staff teleworking arrangements. More generally, strengthening labour market resilience

requires stronger institutional capacity to scale up key measures quickly, while maintaining service quality. This implies that when a crisis hit, the policy infrastructure should already be in place and can be scaled up quickly.

References

Adebimpe, O. I., Adetunji, A. T., Nwachukwu, C. & Hieu, V. M. (2021). "COVID-19 Pandemic Challenges: The Youth Unemployment in Nigeria" *Journal of Contemporary Issues in Business and Government*.

Adegboye, O. A., Adekunle, A. I., & Gayawan, E. (2020). Early Transmission Dynamics of Novel Coronavirus (COVID-19) in Nigeria. *International Journal of Environmental Research and Public Health*, 17(9), 3054.

Adeniran, A. O., & Sidiq, B. O. (2018). Economic Recession and the Way-out: Nigeria as Case Study. *Global Journal of Human Social Science*, 18(1), 181-192.

Akanni, L. O., and Gabriel, S. C. (2020). *The Implication of COVID-19 on the Nigerian Economy.* http://cseaafrica.org/the-implication-of-covid19- on-th-nigerian-economy/

Akindare, O. T. (2020). How COVID-19 Is Hitting Employment in Nigeria and Pushing People into Poverty, Small and Medium-sized Enterprises (SMEs) employment, 14-23. Retrieved from https://www.globalcitizen.org/en/content/how-covid-19-hittingemployment-nigeria-poverty/

Aleruchiegbuchu, S. & Obinachiwori, E. (2020). "Psychological Correlates Associated with COVID-19 Trauma among Private School Teachers in River State" *Social Science Review* (1)1: 150-156

Demertzis, M., Sapir, A., Tagliapietra, S., and Wolff, G.B. (2020). *An Effective Economic Response to the Coronavirus in Europe* (No. 35323). Bruegel.

Global Citizen (2020). How COVID-19 is hitting employment in Nigeria and pushing people into poverty. Retrieved from www.globalcitizen.org

Interview with a senior staff of the Nigeria Bureau of Statistics (NBS) on this day January 26th (2023).

Interview with an official of the Federal Ministry of Trade and Investments on this day January 27th (2023)

Interview with a staff of the Federal Ministry of Trade and Investments on this day January 27th (2023)

Interview with an official of Federal Ministry of Trade and Investments on this day January 23rd (2023)

Interview with a senior staff of the Nigeria Bureau of Statistics (NBS) on this day January 26th (2023)

Krejcie, R.V., & Morgan, D.W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30(3), 607-610.

Mezie-okoye, C.C. (2020). The Socio-Economic Impact of Covid-19 Pandemic on Women and Girls in Nigeria. *Sapientia Foundation Journal of Education, Sciences and Gender Studies (SFJESGS)*, Vol.2 No.4 December, 2020; pg. 291 – 305

Obi, S.E, (2014). The Impact of Political Development on Rural-Urban Industrialization in Kogi State: *A Study of Kogi Central Senatorial District*. Unpublished B.Sc Project.

Oyekan, F., Adetunji, A. T., & Bafeto, A. A. (2020). New Normal Exposes Higher Education Sector Digitization Competency. *International Journal of Psychosocial Rehabilitation*, 24(10), 7421-74230.

Ozili, P.K. (2020). COVID-19 Pandemic and Economic Crisis: The Nigerian Experience and Structural Causes. *Electronic Journal*. 10.2139/ssrn.3567419. April, 2020.

National Bureau of Statistics (2021). The Impact of COVID-19 on Business Enterprises in Nigeria: *United Nations Development Programs* https://www.undp.org

Proshare Intelligent Investing (2021). *COVID-19 Further Pushes Unemployment Rate Northwards.* Retrieved from https://www.proshareng.com

Reliefweb (2021). *The Impact of the COVID-19 Pandemic on People Living in Poverty in Lagos, Nigeria*. Retrieved from https://reliefweb.int

Reuters (2021). As COVID-19 Fuels Youth Unemployment, *Nigeria Doles Out Jobs*. Retrieved from www.reuters.com

Statista (2021). Nigeria Unemployment Rate 2020 Retrieved from https://www.statista.com in June 7, 2021

Teachout, M., Zipfel, C. (2020). The Economic Impact of COVID-19 Lockdowns in Sub-Saharan Africa. Int. Growth Centre Policy Brief. May 2020.

Thomas, I.B., Musa, A.B., Audu, M., Akpata, O.G., Kashim, A., and Alih, L. (2022). The Impact of Covid-19 Pandemic On Nigeria: A Substantial Threat To The Attainment Of Sustainable Development Goals (SDGS); *Journal of Sustainable Development in Africa* (Volume 24, No.1, 2022)

Thurlow, J. (2020). *COVID-19 Lockdowns Are Imposing Substantial Economic Costs on Countries in Africa.* Available at. https://www.ifpri.org/blog/COVID-19-lockdowns- are-imposing-substantial-economic-costs-countries-africa.

World Bank (2020). *Migration and Development Brief.* New York: The World Bank-Development Prospects Group.

World Health Organisation (2020). Virtual press conference on COVID-19–11March 2020. World Health Organisation.

Zhema, S., & Adihikon, T.A. (2020). " Youth Unemployment in Nigeria: Implications for National Security and Development" *Interdisciplinary Journal of African and Asian Studies* 6(2): 55-66.