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SOCIO-ECONOMIC IMPLICATIONS OF COVID-19 PANDEMIC IN NIGERIA

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ABSTRACT

After half of a century as a major oil producer, the Nigerian economy is yet to diversify; thus, remains dominated by primary activities. Whereas oil and gas activities directly employ a negligible number of Nigerians, the industry impacts on the overall economy of the country. However, with large resource windfalls, limited technical capacity, and weak check and balances, the scope for inefficiency, corruption, and elite capture of Nigeria's oil-driven economy is substantial. Consequently, the arrival of COVID-19 further exposed the fragility of the economy. As a theoretical paper, the researcher relied on data from secondary sources which yielded quantitative and qualitative information. The secondary data were derived mainly from journals, books and empirical case studies on the impact of pandemics on global production of petroleum, the Nigerian economy, and the overall social sector. News media analysis, government bulletins, and relevant data from civil society organizations, State Security Forces, and Corporate organizations on the debilitating consequences of the COVID-19 pandemic were also reviewed. The paper revealed that the socio-economic implications of the pandemic derived from fall in global oil price, policy interventions by the government such as bans on certain types of activities, closure of borders, state lockdowns, school closure and social distancing policies, all of which resulted in disruptions felt in all the sectors of the economy and society. Thus, it is suggested here that efforts must be made to address poverty just as there is an urgent need to improve on the healthcare sector. Unemployment should be tackled positively while government should place greater emphasis on technology and other modern methods of imparting knowledge.

KEYWORDS: Covid-19, State lockdown, Unemployment, Poverty, Policy interventions, Nigeria

INTRODUCTION

The Oil and Gas industry is the most important sector of Nigeria's economy accounting for over 90% of the country's export earnings and 80% of revenues accruing to the federation account. The country has 4 refineries with a capacity of 445,000bpd, 22 storage depots with 2.66bn litres capacity and 5, 000km of pipelines (700km of these for crude supplies) yet, it still experiences fuel scarcity. In contrast to other sectors, the oil and gas sectors have grown rapidly to become the largest single sector of the economy.

Consequently, there is a strong correlation between crude oil out-put/export and Federal Government revenue. The link was such that during the golden oil era of mid-1970, as high as 90 per cent of Federal recurrent revenue came from oil-based taxes. Even though in recent time there is a tendency for this degree of dependence on oil-based revenues to decline, the level of dependence on oil-based revenues is still relatively high because State and Local Government revenues are heavily dependent on Federal revenues which are themselves heavily dependent on oil-based taxes.

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In consonance with the above view, Nigeria Extractive Industries Transparency Initiative (NEITI) reported that the federal government and other tiers of government shared a total of N1.95 trillion (US$ 5.131billion), which accumulated to the Federation Account in the first quarter of 2020 (Q1, 2020). The funds shared also got to other statutory agencies in the country. NEITI stated that N791.4 billion (US$ 20.826million) was allocated to the federal government, states got N669 billion (US$ 1.760billion) and about N395 billion (US$ 1.039billion) was given to the 774 local government areas as their share by the Federation Account Allocation Committee (FAAC). The balance of the total earning was sent to statutory agencies and accounts, including the North East Development Commission (NEDC), the Excess Crude Account (ECA), Federal Inland Revenue Service (FIRS), Nigeria Customs Service (NCS) and the Department of Petroleum Resources (DPR). NEITI noted that the Q1, 2020 FAAC disbursement was the highest first-quarter disbursement the country had since 2014. Total disbursements were N1.648 trillion (US$4.336 billion) in Q-1 2015; N1.132 trillion (US$2.978 billion) in Q1- 2016; N1.411 trillion (US$3.713 billion) in Q-1 2017, N1.938 trillion (US$5.100 billion) in Q1-2018; and N1.929 trillion (US$5.076 billion) in Q1-2019. The total FAAC allocations during the period under review comprised gross disbursements to the federal, state, local governments and 13 per cent derivation to the beneficiary stated. NEITI noted that from previous years, with exception of 2018, the general trend since 2015 had been that total disbursement would fall in the second quarter before rising in the third quarter. NEITI also noted that with COVID-19 pandemic, it is almost certain that total disbursements would fall further in the second quarter of 2020 (Okafor, 2020; Iyatse, 2020).

The sad paradox is that after over five decades of oil production, Nigeria is lagging behind other oil-producing nations in areas of local content and cross-sectoral linkages, because the oil sector has remained virtually an enclave, with little or no linkages with the rest of the domestic economy. Due to the technical nature of the oil industry, the sector's direct contribution to the overall level of employment has continued to remain low largely because virtually all the expertise and technical personnel required for crude oil operations are imported. However, liberalization of the extractives sector has contributed to a more favourable investment climate and an unprecedented increase in foreign direct investment in the sector. The liberalization and institutional reforms in the sector have also contributed to redefining the regulatory frameworks, the role of the State and the patterns of redistribution of resource wealth. While the revenues from oil kept jumping up, the colossal oil-derived revenue is noted to have had little impact on the majority of citizens as a very small minority of the ruling elite grew immensely rich while the vast majority of the population sank into extreme poverty. Consequently, the country's Human capital is underdeveloped as the country ranked 151 out of countries in the United Nations Development Index in 2004.

The avalanche of oil-based revenues fuelled dramatic expansions in government expenditures and corruption; hence, Nigeria is customarily seen as an exemplary case of a nation afflicted by the 'resource curse' phenomenon. The country faces overriding needs for the provision of public goods, for a development strategy capable of delivering broad prosperity, and for a structural transformation of the economy. The centralizing effects of Nigeria's dependence upon oil revenues have converted the Nigerian federal system into a contentious arena in which powerful actors and constituencies struggle for strategic resources and distributive largesse. The obvious consequence is that the state has failed to deliver development because it is synonymous with graft and limited capabilities.

LITERATURE REVIEW

After half of a century as a major oil producer and over 700 billion dollars derived from oil revenues, the Nigerian economy has not diversified and has remained dominated by primary activities. Non-oil exports were 90% of total exports in 1960, and in 2012 were just 2%. Agriculture and energy (oil and gas) together account for about 65 per cent of the real gross output. However, oil and gas activities directly employ only about 30,000 Nigerians. Services and tertiary activities comprise over 30 per cent of gross domestic product (GDP) and have been expanding rapidly. Over the last five years, the structure of output in the economy has shown signs of change: the telecommunications sector has seen explosive and sustained real GDP growth and its share of GDP and contribution to GDP growth jumped from barely 1 per cent and 3 per cent in 2005 to over 3 per cent of GDP share and over 14 per cent of GDP growth respectively in 2010. Wholesale and retail trade sectors too accelerated by more than 10 per cent per annum in the last five years accounting for over 32 per cent of GDP growth and 16 per cent of GDP during 2006-2010. Conversely, the manufacturing sector's low contribution to real GDP growth has declined further; as well as the collapse of textiles in the North which has had calamitous consequences on manufacturing economy (Lewis & Watts, 2013).

While the Agriculture still accounts for the largest share of GDP, the sector has declined in significance since 1960. Between 1960 and the late 1980s, real agricultural growth per capita fluctuated wildly (Collier, et al 2008). Nationally, real agricultural growth was 4.5% in the 1980s, 3.4% in the 1990s and 5.6% 2000-2007. Agricultural growth has been driven mainly by the expansion in area planted to staple crops but also exhibits a strong class dimension: large growers account for a disproportionate share of the output. Productivity has remained flat, and yields of most crops have declined over the past two decades. More recently it has started to rise again as a result of growth in the sector, combined with a contraction in oil revenues. National food self-sufficiency has dropped precipitously. In 1994 Nigerian food imports amounted to 0.67 million metric tons (US$0.75 billion); by 2001 it was almost 7 million metric tons (US$ 2 billion). Between 2008 and 2011, food imports have been running at between 9 and 11% of merchandise imports, costing over $3billion annually. In August 2019, the Minister of Agriculture announced that Nigeria was one of the largest food importers in the world (Ewepu, 2019).

In mineral and resource-dependent states like Nigeria, weak governance environments will produce fewer collective goods, while benefiting political and economic elite interests and undermining institutional legitimacy and forms of authority. With large resource windfalls, limited technical capacity, and weak checks and balances, the scope for inefficiency, corruption and elite capture of rents remain substantial (Lewis & Watts, 2013). Patterns of state dysfunction and institutional deficit are endemic, as is the failure to effectively provide public goods. Three sorts of public sector deficiencies are especially pervasive. First, there is a persistent transparency deficit in the centralized, government-managed oil and gas industry. Second, a monitoring deficit derived from the concentration of power and fiscal control within the executive, and a corresponding lack of institutional checks and balances. These problems are aggravated by a participation deficit stemming from attenuated state-civil society relations and a deeply embedded culture of corruption. This trio of deficiencies effectively removes any effective form of fiscal accountability or bureaucratic competence and substantially compromises effective regulatory systems, especially with regard to major petroleum operators and the rights of local communities (Amundsen 2010; Humphreys et al. 2007:265; Watts 2011).

The country's health institutions are in terrible shape to the extent that top government officials, the wealthy and "mighty" citizens have continued to visit the United Kingdom and other advanced countries to treat varying ailments, including non-life-threatening ones. Majority of them are treated by Nigerian doctors in these British hospitals. Reports from media show that President Muhammadu Buhari visited the United Kingdom (UK) several times for medical checks before the outbreak of the pandemic and may continue to do so contrary to the promise he made to Nigerians to end this practice. In 2018, Nigeria was ranked as the country with the fourth worst maternal mortality rate in the world, only ahead of Sierra Leone, Central African Republic, and Chad. According to the World Health Organization (WHO), Nigeria is rated 187th out of 191 countries in terms of health care delivery, and the third-highest in infant mortality in the world. The country witnessed heightened disease outbreaks, ranging from different strains of meningitis in the North, Lassa fever, monkeypox, and the rampaging Coronavirus Disease (COVID-19) in 2019 and 2020. Before COVID-19, one fundamental challenge of the healthcare sector is inadequate funding. For example, Capital expenditure for the health sector as contained in the 2019 budget was N340.45b (US$895.9 million) which represented 3.9 per cent of the total budget while the estimate for the sector in 2020 fiscal year was N46b (US$121.1 million) (Muanya, 2020).

We have seen somewhere earlier in this paper that the problem of the abysmal performance of State institutions is corruption at all tiers of government. To address this problem, Nigeria has established several dedicated institutions of restraint, though few have significant influence. It also maintains a raft of institutions of checks and balances such as parliament and courts, and there are some associated institutions of restraint like the ombudsman, parliamentary commissions, directorates, the Auditor General, the Attorney General, the Central Bank, and the Police Force. All these are playing some roles in governance.

But the sad reality is that the political and businesses classes operate in a world of impunity. Three agencies have some importance in influencing the environment for transparency: (i) the Code of Conduct Bureau, (ii) the Independent Corrupt Practices and Related Offences Commission, and (iii) the Economic and Financial Crimes Commission. Unfortunately, corruption in governance subsists because intentions are not always translated into accomplishments.

On Wednesday 7th October 2020, Nigeria's lawmakers approved a separate plan to borrow N4.28 trn (US$11.263 billion) to support the 2021-2023 Medium Term Expenditure Framework and Fiscal Strategy paper, based on an estimated deficit of N5.16trn (US$135.7 billion) and total expenditure of N13.08trn (US$34.421 billion). This is unfortunate because there is no sign of any resilience in the 2021 budget that intends to borrow over N4 trn (US$10.526 billion) to finance a deficit of over N5trn (US$13.157 billion). The point of fact is that a budget designed to be serviced by debt cannot be said to be resilient, especially when it goes beyond the three per cent threshold allowed by the Fiscal Responsibility Act of 2007. What is more worrisome is that with Nigeria's debt, both domestic and foreign**,** standing at N21.01 trillion (US$55.289 billion) as at June 2020, according to Nigeria Public debt report released recently by the Debt Management Office (DMO), the country, no doubt, is surely going to sink deeper in debt with the new budget proposal (THEWILL, 2020). The author, therefore, takes a brief socio-economic historical excursion to keep in view the dependent nature of Nigeria's political economy which is not without consequences for the analysis of the socio-economic implications of COVID-19 pandemic which is the objective of this paper. At this juncture, it is pertinent to adduce the method intended to attain our core objective.

METHODOLOGY

Nachmias and Nachmias (1996), argue that scientific knowledge is knowledge grounded in both reason and experience (observation). Scientists employ the criteria of logical validity and empirical validation to evaluate knowledge claims. The point of interest is that these two criteria are translated into research activities of scientists through the research process which is the overall scheme of activities in which scientists engage to produce knowledge. In other words, it is the paradigm of scientific inquiry.

The choice of methodology to employ in any research work depends essentially on the nature of the research being conducted. The paper relied on data from secondary sources which yielded quantitative and qualitative information. The primary data was generated from administrative data, interviews of selected frontline health worker, reports of different government agencies, as well as empirical case studies on the impact of Petroleum on the Nigerian economy and the overall social sector, news media analysis, government bulletins, and relevant documentation from civil society organizations, State Security Forces and Corporate organizations on the debilitating consequences of the COVID-19 pandemic.

PRESENTATION AND DISCUSSION OF FINDINGS: SOCIO-ECONOMIC IMPLICATIONS OF THE PANDEMIC.

As the COVID-19 pandemic raged, the United Nations agencies warned that it could reverse decades of progress made at eliminating preventable child death. The anxiety derived from new mortality estimates released on Wednesday, September 9, 2020, by the United Nations Children Fund (UNICEF), the World Health Organization (WHO); the Population Division of the United Nations Department of Economic and Social Affairs and the World Bank group. Reports from these organizations revealed that the under-five deaths of an all-time low of 5.2 million in 2019 had been endangered by the disruptions in child and maternal health services on account of the pandemic. This development, according to the reports, sadly put the lives of more millions at stake. The United Nations in Nigeria during the period under review also stated that safeguarding education from the attack was urgently needed in restoring confidence in schools as places of protection for children and teachers. This suggestion is against the backdrop that COVID-19 had somewhat affected the lives of about 46 million primary and secondary pupils across Nigeria owing to long closure of schools. The number of under-five fatalities globally went down from 12.5 million in 1990 to 5.2 million in 2019. However, in May 2020, initial modelling by Johns Hopkins University, United States showed that almost 6,000 additional children could die daily due to Coronavirus disruptions (Muanya & Uzoh, 2020).

Globally, the Coronavirus disease (COVID-19) has resulted in a drop in life expectancy due to the neglect of other diseases and the consequential rise in mortality and morbidity. For clarity, life expectancy is how long, on average, members of any given population can expect to live which is different from lifespan, which is the maximum length of time any member of the species can survive. Although lifespan has changed very little if, at all, global life expectancy has soared by more than forty years since the beginning of the 20th century due to a combination of scientific discoveries and public health measures that drove down infant mortality. This notwithstanding, medical experts are unanimous that Coronavirus pandemic is causing a substantial increase in morbidity and mortality in Nigeria and populations across the world. Increase in mortality has the potential to cause a decline in life expectancy in Nigeria and elsewhere in the world. Medical experts hold the view that since COVID-19 pandemic has overwhelmed health systems potentially leading to an increase in morbidity and mortality beyond the direct impact of COVID-19 infections. These increases in mortality, both direct and indirect, have the potential to cause stagnations or declines in life expectancy in Nigeria (Kaindoh, 2020; Muanya, 2020).

The average life expectancy for Nigeria in 2020 is 54.8 years, which represents an increase of 0.58 per cent from 54.0 years in 2019 (World Bank, 2020). The point worthy of note, however, is that this is a projection of the United Nations Organization (UNO), and does not reflect the impacts of Coronavirus disease (COVID-19). The fact that in Nigeria, life expectancy was 54.49 years in 2019, 54.18 years in 2018 and 53.73 years in 2017 shows an increase since in 2016 there was a 0.84 per cent increase from 2016 value, 0.83 per cent increase from 2017, 0.58 per cent from 2018 and 2019 respectively. Consequently, the final figures for 2020 may represent a slight decrease because of the impact of COVID-19. The increase might not be significant due to low case fatality for COVID-19 recorded in Nigeria, which is about two per cent. However, Nigeria ranks as one of the lowest life expectancy figures in Africa at 54.80 years, while a country like Tunisia also in Africa records 76.79 years (Muanya, 2020).

There are strong indications that 2021 might be problematic for many tenants in the country as impacts of COVID-19 pandemic begin to manifest economically and the possibility of it resulting in strained social relationships especially, between landlords' and tenants due to inability of some tenants to renew their rents promptly on expiration. Several disagreements between tenants and landlords over rent default may result in legal battles and evictions. This will be so because of the tenancy/rent structure of the housing sector unlike what obtains in the United Kingdom (UK) and the United States, where rents are renewed on a monthly or quarterly basis. Nigeria's tenants might not feel the pressure now, because most of the middle class pay rents yearly. In addition, most people that have either lost their jobs or whose wages/salaries were/are slashed are likely to have paid their rents in advance before the pandemic. Consequently, could still ease tension at the moment at least till the end of the year. Tenants may likely plead for a moratorium as most businesses have been adversely affected, while some might have lost their jobs. The point of fact is that no doubt, a number of tenants will find it difficult to pay rent in advance, as they used to as a result of the state of the economy (Chijioke, 2020).

To further confront the economic realities, the Federal Government approved a very substantial increase in the pump price of petrol from N148 to N162 per litre and electricity tariff because it could no longer borrow to subsidize public utilities (Aghedo, 2020). The upward review of the pump price of Premium Motor Spirit (PMS) has further added to the economic woes as the cost of transportation and food items has consequently gone up. The Manufactures Association of Nigeria (MAN) among other stakeholders, including the Nigeria Labour Congress (NLC), the Trade Union Congress (TUC) and a host of Nigerians are opposed to it on the ground that there is no electricity hence, it is illegal for the government to bill Nigerians for electricity not consumed. It is common knowledge that in Nigeria all household gadgets such as refrigerator, freezer, electric cooker etc. are completely useless without a generating set (Onyekakeyah, 2020). With tariff hikes in two key sectors, Nigeria is among the Organization of Petroleum Exporting Countries (OPEC) that have the most expensive petroleum products and the sixth-highest energy cost in Africa. Only citizens of Ecuador, Congo, Iraq, Saudi Arabia and the United Arab Emirates would henceforth spend more on the premium motor spirit (PMS) than those of Nigeria in the OPEC Community. PMS is at least, twenty-six times costlier in Nigeria than Venezuela and Iran respectively. It is also three times more expensive in Nigeria than it is in Sudan, another Africa's oil-producing country while in Angola, a country declared as one of the most expensive to live, PMS is about fifty per cent cheaper than in Nigeria (Iyatse & Nwafor, 2020).

A study on the impact of COVID-19 lockdown on the Nigerian Economy by the Copenhagen Consensus Centre in conjunction with the National Institute for Legislative and Democratic Studies (NILDS) revealed that the policy costs Nigeria over $373.5 billion. The study showed that moderate social distancing and school closures policies by the federal and state governments reduced deaths by 12,000 while saving 102,000 people from dying from COVID-19, another 17,500 from better HIV treatment and fewer traffic death. The report also revealed that social distancing caused an excess 107,000 deaths from malaria, TB and child malnutrition because of less health outreach, movement restrictions and economic disruption. However, the report noted that more life-years would be lost than gained, as deaths avoided from COVID-19 are likely to be of older people, whereas death from the remaining causes is likely to be of younger people. Closing schools for nine months would mean that each child receives 9 months less education. This, the report noted, would make each childless productive in their adult years. In sum, it is estimated that the social cost of closing schools for Nigeria could be around $5.7 billion – the present value of income loss for more than 25 million children over the next 50 years. The total economic loss for Nigeria from moderate social distancing runs to $373.5 billion, almost equivalent to an entire year of GDP. The study concluded that moderate social distancing and school closures can save about 12,000 lives (even though more life years will be lost) at a net cost of $372.5 billion in lower life quality for the future. The cost-benefit analysis shows that the cost vastly outweighs the benefit. Every dollar spent will generate three cents of social benefit (Wong, et al, 2020).

For UNDP (2020), social distancing assumes a certain level of spatial freedom because in densely populated pockets in Nigeria's urban centres, implementation of this policy is problematic. This is because it will be difficult to enforce social distancing in congested Internally Displaced Persons (IDP) camps in the far North of the country resulting from the insurgency. There is also the risk of further fragmentation of social values- and the very safety nets required for healing and recovery. Furthermore, health-related pandemics have the potential to increase risks of domestic violence and abuse and exploitation of women and girls-especially caregivers. Frustrations resulting from economic loss could also play into existing regional fault lines within Nigeria. Consequently, it has been tales of agony for many families seeking to access routine health care services in the Federal Capital Territory as well as most State capitals since the outbreak of the Corona Virus (COVID-19) pandemic, as many have lost loved ones due to rejection of patients by hospitals over the fear of COVID-19. Unfortunately, most indicted health facilities belong to both the Federal and State Governments.

For instance, in Rivers State which hosts most multinational oil companies, the health care services were overwhelmed by efforts to contain Covid-19 because Rivers State University Teaching Hospital dedicated its medical personnel and infrastructure to the containment of the Pandemic. Consequently, surgeons at Rivers State University Teaching Hospital resolved to attend to only emergency surgical cases and put off elective surgeries for some time. Healthcare providers experienced fear and anxiety that they might contract the virus while attending to patients with regular ailments such as respiratory tract infections, cough, fever, pneumonia. At the initial stage, basic protective gears like facemasks were not sufficient at all. Facts emanating from the out-patient department revealed that since the outbreak of Covid-19, very few patients visit hospitals except they are severely ill because they too, do not want to contract Coronavirus in the hospital (Ebiri, 2020). Generally, the lethal virus now in existence in almost all the states in the country, health workers and their states' government are in dire straits as they grapple to manage the deadly disease effectively alongside regular ailments due to the massive strain put on health care services by COVID-19.

Oji (2020) submits that the devastating effect of COVID-19 on critical sectors of the Nigerian economy may shrink profit of quoted companies and negatively impact dividend pay-out by as much as sixty per cent (60%). This is so because, in Nigeria, lockdowns were imposed across various states, limiting operational activities in the first quarter. Public and private sectors revenues were also hit by a lull in economic activities and sudden drop in crude oil prices, limiting capital spent and purchasing power. Some listed companies modified their dividend pay-out and reviewed policies to cushion the effects of COVID-19 crisis on business operations. The review led to either deferment or cancellation of dividend payments to reduce vitality on the company's bottom line and sustain liquidity flow. COVID-19 induced lockdown also affected businesses in the hospitality and social industries, commercial chicken, egg and catfish farmers counted their losses in billions of Naira. The losses derived largely from their inability to sell their products in commercial quantities. For example, the shut-down of schools, social business, and worship centres triggered socio-economic challenges leading to job losses that adversely affected the flow of resources, loan repayment, food and income security, among others. Hotels, event centres, night clubs, bar and joints were shut down for more than five months. Similarly, gathering for burials, weddings and birthdays and associated businesses of fashion designers, event organizers, caterers, confectioners and food vendors were affected. In Lagos alone, the number of registered hotels, event centres, bars, foodservice chains, restaurants and clubs operating in the informal sector is 1,032 (Ibirogha, 2020).

To prevent the spread of Coronavirus, the Federal Government through a directive by the Minister of Education, Mallam Adamu Adamu shut all educational institutions on March 19, 2020, only for about five months following the outbreak of COVID-19 in the country. What initially appeared to be a short stay-at-home eventually turned into a prolonged and forced holiday for school children as Nigeria went into a series of lockdowns and shutdowns due to the threats posed by the deadly Coronavirus. Although the disruptions of educational activities are not peculiar to Nigeria, it has brought to the forefront the inadequacies of the educational system in the country especially, the already widening gap and growing inequalities in the nation's education with children and pupils in rural and underserved communities being shut out because they lack the facilities and equipment to help them transit into the new learning system. The problem is compounded by infrastructural challenges, especially electricity. Though some states tried to introduce online classes to keep the students, particularly those in public secondary schools, occupied during the lockdown, the challenges of this initiative were glaring. For example, while students in private secondary schools and private universities across Nigeria were having their lectures online and attending to assignments from the comfort of their homes, their counterparts in public institutions were just left to their fate. Yet, these youths require a combination of relevant skills for the contemporary labour market (THE WILL, 2020).

The impact of the pandemic is partially felt in the foreign exchange rate which depreciated by 1.0% since mid-February, 2020 but the informal market indicated an expectation of a larger depreciation of the Naira. It was therefore not a surprise when on 20th March 2020 the Central Bank of Nigeria (CBN) adjusted the currency to N380 per dollar. A week before the official announcement by CBN, informal sources indicated that the Naira was trading at N380 per dollar in the parallel/black market. The depreciation of the Naira could have a further negative impact on remittances, which in 2018 represented 80 per cent of the Federal Government budget, affecting the livelihood and spending patterns, which in turn could negatively impact on the economy and wellbeing of the people (Pricewater Coopers, 2018, UNDP, 2020). For instance, the inflation rate resulted in a shortage of consumer goods due to disruptions to imports and local supply due to lockdown for a country that is a net importer of foodstuff. Currently, prices and supply of essential goods have risen significantly because Nigeria is a net importer of basic foodstuff (UNDP, 2020).

The Covid-19 pandemic also contributed to the problem of insecurity in some states in the country. The case of Rivers State is cardinal evidence in this regard. While many Rivers State residents commended the Rivers State government for its fight against Corona Virus which is firm, decisive and basically in the interest of Rivers' people. Despite the decisive step of Rivers State Governor – Nyesom Wike to enforce decisions taken by Government to curtail the spread of Covid-19, it was reported that Etemeteh hotel, Onne and Prudest Hotel Alode, Eleme were still operating contrary to the "Executive Order 6" closing down all hotels across the State. At Prudest hotel, the People Democratic Party (PDP) Youth Leader and a gang of thugs inflicted heavy injuries on the Task Force members who were at the facility to stop it from operating. Consequently, the Governor acting in tandem with the provision of the "Executive Order 6" and to protect the Task Force constituted by the government to enforce the Order, demolished the two hotels. The Governor's action was considered by some as "imperial and obnoxious". Governor Wike in defence of his action stated that the demolition of the two hotels in Eleme was done in line with the extant laws.

Although Governor Wike in State-wide broadcast on May 7th, 2020 announced additional measures to fight Covid-19 pandemic in the State by including 24 hours' lockdown on Obio/Akpor and Port Harcourt Local Government Areas came into effect based on Executive Order No.6., the State borders continue to experience serial acts of "sabotage by security operatives, who allow, and in some cases, personally aid persons with risky COVID-19 status into the State. For example, on 7th May 2020, the State COVID-19 Task Force intercepted a lorry-load of lives stock with 22 persons who bribed their ways into Rivers State from Adamawa State despite the Federal Government's restrictions on interstate travels. Similarly, on 8th May 2020, the Task Force intercepted another 8 trucks with 200 persons hidden in-between loads of grains being smuggled into the State from the Northern parts of the country. It is against this backdrop that, the following vehicles: Truck with Reg. no KBK 336 AX, DAF truck with Reg. no. MUB 20 YH (Adamawa), Howo Truck with Reg. no. 608 XA (Adamawa), and DAF Truck with Reg. No. PKM 48594 AX, were seized and the ownership forfeited to the State, with some slated to be auctioned by the Deputy Sherriff of the State High Court. The lockdown on Port Harcourt and Obio/Akpor was later reviewed to allow Rivers State residents to replenish their supplies. The State Security Council also imposed a night-time curfew and reviewed the effective date of the complete lockdown on Obio/Akpor and Port Harcourt Local Government Councils from the 14th May 2020 to Sunday, 17th May 2020 by 8.00 pm until further notice, while residents of the state were enjoined by the government to comply with established COVID-19 protocols especially, compulsory wearing of face mask and the closure of land, sea and air boundaries and entry routes.

Although the Rivers State Government closed all borders on March 26, 2020, and directed that no one comes or goes out of the state to check the spread of COVID-19. There were still rapid movements in and out of the state facilitated by security agencies manning the border posts. Truck drivers at Mbiama- a border town that connects Rivers State to Bayelsa State, as well as another location that links Rivers and Abia States, revealed that security operatives collect between N50,000.00 to N80,000.00 from each truck driver to enable them to gain entrance into, or exit the state. Other border posts, where criminal activities were perpetrated by security agents are Aba-Ndele border, Ogoni/Akwa Ibom border, and Owerri/Port Harcourt border. Notwithstanding these extortions by security agents, the truck drivers spent between two to three days queuing at the border before they are cleared by the security agents after rigorous negotiations (Godwin, 2020:7). The preceding section shows that measures adopted by the government had an unpalatable consequence for business and the people. To cushion the effects of the lockdown on the citizenry, both the Federal and State governments introduced some initiatives. The extent of the effectiveness of these measures is the focus of the next section.

POLICY INTERVENTIONS TO CUSHION THE SOCIO-ECONOMIC EFFECTS OF THE PANDEMIC

To curb the spread of COVID-19 the Federal and State Governments introduced the lockdown of economic activities except for essential services. Actions taken by the Federal Government include the deployment of relief materials to ease the pains on Nigerians, sustenance of the school feeding programme by the Federal government during the period and granting of a three-month repayment moratorium for all Trader Moni, Market Moni and Farmer Moni loans. The President also directed that similar moratorium be extended to all Federal Government funded loans by the Bank of Industry in the following words:

For on-lending facilities using capital from international and multilateral development partners, I have directed our development financial institutions to engage these development partners and negotiate concessions to ease the pains of the borrowers. For the most vulnerable in our society, I have directed that conditional cash transfers for the next two months be paid immediately. Our internally displaced persons will also receive two months of food ration in the coming weeks (Aghodo, 2020:27).

Also, in March 2020, the House of Representatives passed the stimulus package Bill aimed at stimulating the ailing economy and discouraging employee furlough among other intentions. The Bill grants income tax credit at fifty per cent (50%) of annual Pay As You Earn (PAYE) for employers (excluding upstream petroleum employers) who retain employees between March 1 and December 30, 2020. The second incentive included a waiver on import duties related to medical equipment and personal protective care among others. The Government also introduced a job scheme which it has been driving forcefully aimed at providing palliative to unemployed citizens in the country tagged "Extended Special Public Works Programme". Under this programme, Government aimed at temporarily employing One thousand persons (1000) each from all the Seven Hundred and Seventy-Four (774) Local Government Areas of the country during the dry season. It is apposite at this juncture, to note that the programme billed to kick off in October 2020 is not novel to the Nigerian situation as the National Directorate of Employment (NDE) in collaboration with International Labour Organization (ILO) had introduced it in the mid-1990s. According to the Development and Technical Labour Department of International Labour Organization (ILO), such programmes were used during the Great Depression by industrialized nations to immediately respond to grinding poverty at the lowest level of society that normally bears the brunt of such economic upheavals. It was also effectively used during colonial Africa to quickly respond to situations such as drought and famine by mobilizing unskilled populace to engage in other labour-intensive infrastructural projects as a means of immediately alleviating their situation (Aghodo, 2020).

Rivers State government also strived to provide incentives to cushion the harsh economic effects of COVID-19 pandemic on residents. Governor Nyesom Wike constituted a food purchasing committee chaired by the Secretary to the State government, Dr Tammy Danagogo and released N2 billion to buy up all the produce from Rivers State farmers and fishermen. Also, a palliative team led by Desmond Akawor, Rivers State Chairman of the Peoples' Democratic Party (PDP) was set up for distribution of palliatives to Rivers State residents. However, most residents of Port Harcourt, the State capital, expressed reservations on the Government's initiative with allegations that they did not benefit while those who benefited, lamented that the packages were not enough to sustain them and their families for three days. The government also granted tax reliefs and incentives to taxpayers and a waiver of fifty per cent (50%) on all assessed Capital Gains Tax (CGT) until December 2020. The most important of all was that the Governor also announced the suspension of all informal sector tax for the year 2020 because the informal sector was the worst hit in terms of the economic impact of COVID-19 pandemic. Those in the informal sector that enjoyed the tax relief were market stalls, hair and barbing saloons, mini supermarkets and kiosks, technicians, mechanics, artisans, passenger vehicle operators (taxi and buses running town services), welders, tire vulcanizers and all related small businesses (Godwin, 2020). The State equally suspended all Local Government taxes and levies for 2020 tax year except tenement rate, warning that nobody should pay or collect any levies from Rivers people who are managing to eke out a living. Furthermore, a twenty per cent (20%) discount was granted on all Personal Income Tax (PIT) assessment issued to owners of schools, hotels, pharmacies and hospitals, as well as other allied businesses in the year to December 31, 2020.

Similarly, as part of measures aimed at reducing the burden on taxpayers amid-the COVID-19 pandemic, the Lagos State government between March and September 2020 adjusted its tax policies at least three times. Specifically, in March, the government announced a three-month extension of the deadline for filing of Annual Tax Returns from March 31, 2020. Towards the end of May 2020, the government again extended the deadline from May 31, 2020, to June 2020. The government also announced additional tax incentives and reliefs for businesses and individuals in the State, which included allowing, on case-by-case basis, the payment of outstanding liabilities in instalments to ease cash flow challenges that may affect tax payers; waiver of penalty for late payment of liabilities under PAYE that were due during the period when the state was under lockdown (March-May 2020); waiver of penalties due on late filling of 2020 annual tax returns(Form A), waiver of interest and penalty components of outstanding tax audit liabilities from 2009 to 2015 for entities that present and keep to a structured payment plan that terminates on or before December 31, 2020; grant of tax credits of twenty percent(20%) of cash and kind donations made for COVID-19 by resident individuals to Lagos State government for the 2021 Year of Assessment only subject to a cap of thirty-five percent(35%) of tax due; increase of payment channels to make payment of taxes easier, simpler and more convenient for all and adoption of video conferencing as the default mode for conduct of Tax Audit Reconciliation Committee(TARC) meetings in consonance with social distancing advisories from government and other relevant authorities (Diamond, 2020).

Also, to cushion the effects of the ravaging coronavirus pandemic, the Enugu State Government in June 2020 granted tax relief and incentives to taxpayers and other categories of persons in the State. The deadline for the submission of Form A for employees and Annual Returns following Section 41(3) and 81(1-3) of the Personal Income Tax Act (PITA) 2011 as amended for companies and institutions operating in the state was extended to July 30, 2020.

In specific terms:

A waiver of penalty and interest charged for late remittance of PAYE deductions is hereby granted from January to December 2020 for all sections. A 50 per cent discount on all assessed Land Use Charge payments for the year 2020. A 50 per cent discount on all assessed Capital Gains Tax (CGT) from September 2020 till December 2020. A 50 per cent discount to all Personal Income Tax Assessment issued to owners of schools and hotels for the year 2020. A 50 per cent discount of all assessed Land Use Charge payments for the year 2020. This discount will expire on December 31, 2020. A waiver of penalty and interest on Land Use Charge for years 2018 and 2019 once payment is made before December 2020 (Njoku, 2020:28).

The waivers notwithstanding, officials of Local Governments councils in Enugu State still move around in buses to demand payment of certain fees such as Container Permit, Environmental Development Levy, Business Premises, ESWAMA Fees and Caption Rates from shop owners.

To contain the outbreak of COVID-19, the Plateau State Government distributed palliatives such as maize, rice, toothpaste, toiletries and noodles to some residents. Most residents contended that palliatives received did no constitute even one per cent (1%) of the demand of the people stressing that there was an instance where tuber of yam was given to a whole community in Jos North Local Council. Majority of the people are helpless and frustrated because one meal a day is not easy to come by. Also, the government in preparation for the post-COVID-19 economy recently commissioned a stock investment centre. The government also signed a Memorandum of Understanding (MoU) with Max Airline to ensure that it flies to the state three days in one week namely Monday, Wednesday and Friday (Ahovi 2020).

The sad paradox is that majority of citizens are yet to feel the impact of measures adopted by the government to contain the pandemic. Comments of the Lagos Chamber of Commerce and Industry(LCCI) on the Second Quarter(Q2-2020) Gross Domestic Product(GDP) report released by the National Bureau of Statistics(NBS) revealed that the performance of the real estate sector had been weak even before the COVID-19 pandemic and entered into recession in the Third Quarter of 2019(Q3-2019) due to fragile macro-economic conditions and weak demands for commercial and real estate assets, coupled with a low level of investment in the sector. LCCI noted that the sector contracted by 21.99 per cent in Q2-2020, but COVID-19 induced lockdown and social distancing rules made it difficult for real estate players to interact and transact with clients, hence the suspension of most real estate businesses. Second Quarter (Q2-2020) Gross Domestic Product (GDP) report released by the National Bureau of Statistics (NBS) showed that Nigeria's GDP in real terms declined by 6.1% (year-on-year) in Q2- 2020 thereby ending the three-year trend of low but positive growth rates recorded since the 2016 to 2017 recession. The report further showed that the performance recorded in Q2- 2020 represented a drop of 8.22 per cent points decline when compared to Q2-2019 (2.12%) and 7.97% when compared to 1.8% in Q1 of 2020 (NBS, 2020; Aghedo, 2020; Maikudi, 2020).

In addition, the recently released "Abridged Labour Force Survey under COVID-19" by the National Bureau of Statistics (NBS) for August 2020 which gave a breakdown of the unemployment rate in the country after a 20-month interval, indicated that 21, 764, 617 were unemployed, with Imo State recording the highest rate of unemployment at 48.7%. The report stated that the unemployment rate during the period in reference represented a 27.1% rise from the 23.1% recorded in the third quarter of 2018. The National Bureau of Statistics (NBS), as part of the selected Banking Data Q-2020, showed that the number of staff in the Nigerian Banking industry reduced by 9,866 in the last one year. This means that the number of employees in the banking industry reduced by 9.5% Year-on-Year (YONY) from 104,364 in Q2-2019 to 94,498 in Q2-2020. The report further revealed that the contract staff in the banking industry were the most affected by the staff-drain as the number of staff in this category reduced by 7,321 representing a 15.8% reduction from 42,263 in Q2-2020. The figures showed that the number of contract staff was an all-time high in Q2-2020 haven doubled the Q1-2017 figure of 20,237 but dropped by 3,083 in Q3-2020 and grew again by 2,170 in Q4 -2020. The report showed that the number of junior staff in the banking industry also dropped by 5.6% YONY, to 37,733 as at Q2-2020 while there is a reduction of 2,247 from the Q2-2019 number of 39, 980 (NBS, 2020; Ojonugwa, 2020).

The number of the junior staff category peaked in Q4-2017 at 41,398 and was about steady from the first quarter of 2018 before it reduced steadily till Q2-2020. For the senior staff category in the banking industry, their numbers reduced by 1.8% YONY from 17,943 in Q2-2019 to 17, 619 in Q2-2020, a drop of 324. The numbers of this category of bank staff were highest in 2017- Q1 at 20,483 and has been oscillating before it started reducing steadily from the end of 2019 until Q2-2020. The report further revealed that of all the four staff categories in the banking sector, only the number of staff in the Executive position grew in the period under review. In a similar vein, the number of Executive staff grew by 14.6% from 178 in Q2-2019 to 204 in Q2-202 and difference of 26 in number. The number of this category of bank staff was at its peak in the third quarter of 2018 but dropped by 35 in the second quarter of 2019 to 178, stable between Q3 and Q4-2019, before it increased by 24 in Q1-2020 (NBS,2020; Ojonugwa, 2020).

A rise in unemployment generally means that the number of people searching for jobs has increased, which can occur because those previously outside the labour force have decided to join the labour force and now in search of jobs, or people previously working have lost their jobs. Often, it is a combination of these two (NBS, 2020). These gloomy figures, no doubt, reflect the negative impacts of the disruptions by COVID-19 pandemic and crash in the oil price on the economy. American oil giant, Chevron, announced it would retrench at least twenty-five per cent (25%) of its employees as part of a major restructuring due to a review of its manpower requirement against the backdrop of ongoing changing of the business environment. The point of fact is that low oil price has hit the bottom line of oil companies compelling them to make drastic cuts (Ojonugwa, 2020).

The latest report by the Nigeria Employers Consultative Association (NECA) stated that the number of Nigerians in extreme poverty now stands at an estimated 102 million. This figure NECA stated, represents fifty per cent of estimated Nigeria's population of about 205 million and a ten-percentage point rise against the forty per cent number of Nigerians living in extreme poverty reported by the National Bureau of Statistics (NBS) in October 2019. The NECA report stated that the total number of people living in extreme poverty in Nigeria now stands at fifteen per cent of the total number of people living in extreme poverty worldwide (THEWILL, 2020).

CONCLUSION

The arrival of COVID-19 caught Nigeria and its leadership unprepared and further exposed the fragility of her socio-economic sectors. The impacts of the pandemic on the country derived from actions or policy interventions by the government (Federal and State) such as bans on certain types of activities especially, bans on religious gathering, marriages and other social events, closure of borders (both national and international), state lockdowns or social distancing discourage economic gathering; closure of firms and institutions including schools (both private and public schools) were measures taken proactively to avoid infections. However, business closures resulted in the loss of wages for workers in many cases, especially in the informal sector of the economy where there is the absence of paid leave. These policies affected all sectors of the economy – the health sector, manufacturing, the oil and gas sector, retail and other services, trade and transportation, education, security and others with or without an actual break. These, in turn, translated into reduced income both through the supply and demand sides.

It is highly plausible that these short-term socio-economic implications can result in reductions in long term growth. For example, school closure resulted in lost opportunities to learn for students but more vulnerable students lost opportunities to learn as they may not return to the educational system due to prolonged periods, especially for girls who became pregnant. School closures also have a large cost in terms of lost future productivity that outweighs even the most optimistic benefits. Efforts must be made to address poverty just as there is an urgent need to improve the health care sector. We have shown that there has been a steady increase for some time now in the rate of unemployment which needs to be tackled positively. It is the paper's considered opinion that the best way to fight the increasing poverty in Nigeria is to invest heavily in the education sector for the Nigerian child. This has become more important now than ever in the context of the emerging new normal that places greater emphasis on technology and other modern methods of imparting knowledge.

There is also an urgent need for a total overhaul of the education sector to prepare the army of youth with modern skills that would usher them into the digital economy. While they should be made to go through vocational and technical education in well-equipped and fully funded institutions to prepare them for more job-ready skills, new courses such as robotic and coding should be introduced early in the country's education curriculum to prepare the students for jobs of the future (THE WILL, 2020).

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