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COVID-19 PANDEMIC IN NIGERIA: THE EMERGING ECONOMIC AND SOCIAL IMPACTS

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ABSTRACT

The paper focused on COVID-19 pandemic in Nigeria and the likely emerging economic and social impact. The paper adopted a methodological literature review approach. It drew from real time data observations, those documented in the country as well as on the global space to and established facts gathered from journals, internet and other secondary sources. From the data analysis, the study found that the health policy measures undertaken to contain the pandemic from spreading such as the lockdown measure and social distancing protocols brought about some manifest economic and social impacts. It was discovered that there was unexpected social-economic uncertainty which caused changes in consumers' preferences in the allocation of income to consumption expenditure and savings. Aggregate demand components of the country were affected which caused demand for essential goods and services to rise while the non-essential to drop sharply. On the supply side, the economy dwindled as global, national and local supply chain of goods and services were drastically disrupted reduced resulting into short supply causing restocking to be impeded resulting into scarcity and general rise in prices . The social impact are categorized into pro and cons. The pros include reduction in traffic grid lock in the cities; environmental pollution and health related diseases; increased spend time with family member and neighbours among working class and business owners; and increased attention to hobbies. The cons are disruption to existing social relations among several segments of society, widening disparity in health among persons, increased social tensions, stress, domestic violence, suicide cases, gender inequity, crime rate, poverty level

,weakening of citizens' societal resilience, disregard to citizens' consultation and promotion of government arbitrariness. This paper provided insights and recommendations to overcome the negative economic and social impacts.

INTRODUCTION:

Coronavirus also christened to be COVID-19 originated from Wuhan city in the Hubei province of China, with its first case reported in the fourth quarter of 2019. Little did the world expects its spread to other countries and continents of the world, believing that China would have put effective measures to contain the spread? Surprisingly, this was not the case as the virus found its way into other countries of the world. Thereon it became a constant news item in national and foreign news and the print media with daily cases of the disease incidence for each country reported. The scale and proportion of the reported cases across the globe were not only alarming but frightening. It surged to over 208,000 with deaths of about 8000 and 82900 recoveries as of 18th March, 2020 causing the World Health Organization (WHO) to declare it a global pandemic. As at 9th June 2020, the number of infected cases worldwide is 7,069,278 with death fatality of about 405,587. In the Africa continent alone about 196,570 COVID-19 cases were reported and figures for some of countries were as follows: South Africa (50,879), Egypt (35,444), Nigeria (12,801) Algeria (10,265), and Ghana (9,910) (ECDPC, 2020).

The fragility of the Nigerian economy was once again put to severe test by the severity of the COVID-19 pandemic. Before the year 2020, a positive trajectory was predicted for the Nigeria economy by the World Bank projected that it would continue to recover from the 2016 recession at a sustained estimated 2% growth rate in 2019 driven by the services sector, in particular telecoms and a slight growth increase in agriculture that is currently been affected by the insurgency in the Northeast region and the on-going farmer-herder conflicts (World Bank, 2019). Could this prediction be achieved, sustained and improved upon in the light of COVID-19 visitation on the country in the year 2020 and government's deliberate effort to address it?

The COVID-19 index case in Nigeria occurred on the 27th of February, 2020 and subsequently spread to Lagos State, Ogun State and the Federal Capital Territory (FCT) which necessitated the federal government action through a nation-wide broadcast by the President, Muhammadu Buhari to impose a total lockdown and social and physical distancing protocols. The action was replicated either wholly or partially with some modifications by various state governors in their respective states. Gradually, the Nigerian economy begins to suffer culminating to economic decline as the various sectors affected adversely. This call for some form of documentation and research for purposes of learning considerable lessons to tackle the present health pandemic and should it occur in the future . An attempt to act pretentiously to the contrary can only be a great disservice.

That apart, in the light of the paucity of research work on pandemics and the associated economic and social impact in Nigeria provides the overriding motivation behind this study. Consequently, the study is poised to highlight COVID-19 and its emerging economic and social impact on the Nigerian economy from the lens of government deliberate policy response to the pandemic.

METHODOLOGY OF THE STUDY

The study relied basically on real-time, ongoing world observations and documented facts about the social-economic impact of the pandemic as it rages on. The data sources are information reported by experts, credible organizations and governments including published articles in journals and in the internet. The information obtained was subjected to thorough scrutiny and those relevant for the study were carefully extracted upon which analysis was performed and discussion made. The study adopted this method because it offered an advantage of gathering real-time data, cost–effective and devoid of manipulation which the study believed are easily available and can be accessed at any time and verified compared to other methods of data gathering. It adopted a sequential presentation method for purposes of analysis, clarity and understanding. The first section of this paper contributes to the existing literature on the areas of health pandemic and economic crisis, particularly on how non-financial or non-economic factors can cause an economic crisis in such an unprecedented manner. The remainder of the study is structured in the following order. Section two discussed briefly on causes of economic crisis, COVID-19 and the domestic economy. Section three focused on the demand side of the economy and section four on the supply side of the economy. Section five harped on policy responses and criticisms while section six dealt with the conclusion.

Conceptual Framework for the Study

The study is guided by a concise conceptual framework (Figure 1) related to the COVID-19 pandemic and the Nigerian Economy in nexus to impact approaches. The COVID-19 pandemic triggered by China initially affected not only China's economy but the global economy as it began to spread across continents. Eventually, when the pandemic hit Nigeria, the domestic economy was badly affected by a successive decline in all sectors. The trend of economic weakening had a firm grip on the economic forces of demand and supply issues. On either side of the economy, the consumption, investment and Government expenditure were downtrodden by COVID-19 pandemic interferences. To crown it all, the economic policies were grounded to a halt. Decisively, the gradual reopening and revamping of different sectors in the economy, manipulation of mitigation phenomena of the fiscal and monetary policies to a great extent can contribute to the restoration of the fallen economy as indicated by the directional arrows in Figure 1.

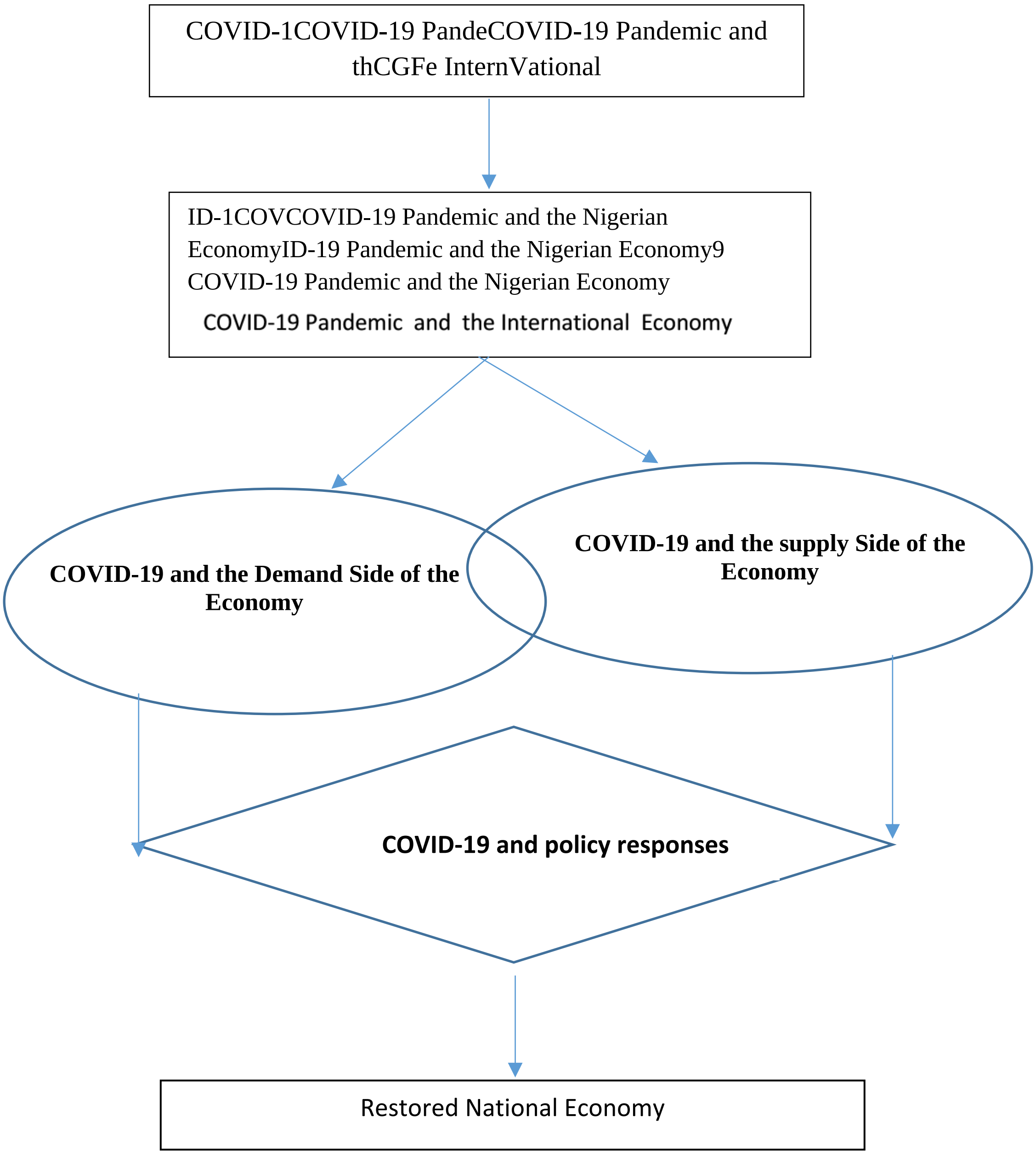

Figure 1: Emerging Economic Impact of COVID-19 Pandemic in Nigeria

LITERATURE REVIEW

Causes of Economic Crisis

The literature on the economic crisis is replete with numerous works. Most causes are mainly financial or economic. For instance, the Asian debt crisis in 1997 was due to the collapse of the Thai baht in July 1997 which spiralled a region-wide financial crisis and economic recession in the whole of Asia (Radelet & Sachs, 1998). The 2008 global financial crisis according to Allen and Carletti (2010) was due to the loose monetary policy followed by subprime mortgage weak regulatory structures and high leverage in the banking sector.The aftermath of the 2008 global crisis caused Greece in 2010 to experience economic crisis which brought about structural weaknesses in her economy and lack of monetary policy flexibility as a member of the Eurozone (Rady, 2012). Nigerian economy slides into recession in the year 2016 due to fall in the price of crude oil in the world oil market, deficit balance of payment problems, the adoption of a floating exchange rate regime, increased in petrol pump price, weak infrastructures and activities of pipeline vandals made the Nigerian economy to slide into recession in the year 2016 (Ozil & Arun, 2020). Economic crises are a regular phenomenon and the underlying causes often point to financial and economic factors. The introduction of health factors as causes responsible for economic crisis opens a vista of inquiry especially with the ongoing COVID 19 pandemic. Uncertainties arising from the pandemic forced Government to issue directives ordering citizens to stay at home, imposition of the travel ban in the aviation industry, cancellations of sporting events, prohibition of mass gatherings in the entertainment sector and allied industries which brought about severe pain and tough times affecting virtually all the sectors of the economy (Ozili, 2020; Elliot, 2020; Horowitz, 2020). The attendant implications of government's action created both demand and supply shocks in virtually all aspects of human endeavour (El-Erian, 2020).

COVID-19 and the Domestic Economy

In Nigeria, according to Onyekwena and Ekeruche (2020) prior to the COVID-19 outbreak, the domestic economy was expected to experience slow recovery with a GDP growth projected to taper around 2.3% in 2019. In the year 2020, IMF projected a GDP growth rate of 2.5% but revised the projection in February 2020 to 2% on account of the relatively low oil prices and very limited fiscal space. Debt service to revenue ratio is at a point of 60% with the capacity to worsen the country's revenue profile from falling oil prices. The economic indicators as projected by the Nigerian government and other world bodies may not remain as expected as they are likely to worsen given the measures undertaken by governments to combat the spread of COVID-19. Apart from total lockdown other measures include restriction of movement, restriction of flights from nations with a high number of COVID-19 cases, closure of inter and intra land borders and intra-borders. The measures brought about economic and social hindrances culminating into fall in aggregate demand and supply channels for goods, services, human resources and global capital.

COVID -19 and Aggregate Demand Side of the Economy

World Bank (2019) argued that the slow pace recovery of the Nigerian economy in 2019 is attributed to weak consumer demand, lower public and private investments. The economic growth outlook is vulnerable to domestic as well as global risks. The economy is billed to face a sharper than expected slowdown in the global economy including geopolitical and trade tensions. Domestically, the country's macroeconomic policies, the pace of structural reforms and security concerns remain the main risks. In the absence of structural reforms, the growth projection is expected to remain stable and average around 2.1% in

2020-2021 (World Bank, 2019). The encouraging but gloomy economic projections for the year 2020 on the basis of key economic fundamentals in the year 2019, may be far from being achieved as COVID-19 and government responses appear to be spanners in the wheel of the country's economic growth projection. Already, the accompany disruption is affecting economic and social sectors of the country including the known components of aggregate demand defined in the Keynesian model as, Y=C+I+G+(X-M).

Where: Y= aggregate demand (National Income); C= Consumption; I=Investments

G= Government expenditure; X= Exports; M= Imports

COVID-19 and Consumption

Given government responses to COVID-19 containment, such as the lockdown, movement restriction, flight restriction and border closure inflicted serious consequences on consumers' consumption expenditures. The impact resulted into declining consumption, poor expectation of future income of a worker in the gig economy and the larger informal sector, and erosion of wealth in assets such as stocks through price plunge. Consumers' consumption patterns and preferences for particular goods and services consumed changed drastically on account of stockpiling and the uncertainty whether the measures would be relaxed at the expiration date or to be extended thereafter. Consumers purchase attitude and reordering of priorities continued to persist due to constraints affecting availability of goods and services arising from shutdown of businesses and factories. Consumption expenditures become more prioritized and, in most cases, channelled into essential goods and services to the detriment of non-essential goods and services. Currently, stable and essential goods such as rice, beans, bread, yam, garri have their prices gone up astronomically, as such goods now garnered a sizeable chunk of consumers income including services like telecoms, print and news media that tend to comfortably keep consumers at home without boredom during the period of movement restriction. Perishable goods like tomatoes, oranges, pineapple, and the like that were unsold in the hands of sellers went bad leaving the owners with lost income, thereby reducing their purchasing power to purchase goods and services for resale. Purchase of premium spirit (petrol) and diesel rose steadily upwards in the absence of a constant power supply. It enabled consumers to power their generators to generate personal electricity to stay at home comfortably while complying with the stay at home government directive. Expenditure on purchase of vehicles, transportation, visitation to cinema houses, attending comedy shows, engaging in hangouts and many other social–economic activities continue to experience significant reduction due to strict compliance and observance of the social and physical distancing protocols.

It is undisputable that Nigeria has a burgeoning gig and large informal sector which contribute about 65% of the country's national output (Onyekwena & Ekeruche, 2020). The statistic indicates the critical importance of the sector and the activities of persons of those involved in the sector. A lull is apparently been witnessed in this sector during this period of national health emergency and the effect on the overall national economy can only be described as dire in terms of the low and poor expectation of future income of the players in the sector. In this period of COVID-19, some contract employments may expire and the hope of getting a new job or possibility of renewal of the existing contract hangs in the balance. Business owners and workers in the sector are already huge tales of woe to tell as businesses were forced to close down, business revenues constrained, activities reduced, difficulties paying workers' wages worsen and personal consumption expenditure dips momentarily. Artisans and unskilled workers that depend on daily income to meet daily needs are at greater risk of survival. Their income-generating capacity to support normal daily livelihood becomes not only threatened but continue to diminish speedily.

COVID-19 and Investment

It is important to note that investments in new or an expansion of existing productive assets generate employment opportunities and contribute significantly to economic growth. To support investment and increase production capacity, small businesses were exempted from company income tax while medium-sized businesses have their company income tax revised downwards from 30% to 20%. Larger businesses on the other hand have their income tax remain at 30% from the year 2020. The supposed gain that is expected to arise from these government fiscal policies to drive investment appears to be wiped out as total lockdown, movement restriction and other government responses to COVID-19 have forced businesses to temporarily close down. Sustenance of existing stock investments and attraction of new inflows into the financial and capital markets continue to suffer serious setbacks as the erosion of wealth income-generating assets was imminent. Rational investors being who they are and the way they treasure the safety of capital; have reacted by engaging in capital flight to safety through massive disinvestment decisions. Uncertainty became inevitable ushering in greater risk and heightened concerns in the markets particularly due to investors' limited knowledge of the duration of COVID-19 and how long it would last and the likely measures government would adopt going forward. Negative sentiments on the part of investors were more apparent which introduced more turbulence in the Nigerian capital market resulting in frequent offloading of stocks which eventually caused declining stock prices and losses. The accompanied negative profit outlook in the market has made firms to hold off long term investment decision on projects believed to be viable. These actions of industry and market players made the Nigerian stock exchange to record its worst performance that is comparable to what happened in the 2008 financial crisis (Onyekwena & Ekeruche, 2020) with attendant erosion of wealth and income.

COVID-19 and Government Expenditure

Government expenditure in Nigeria is a significant variable that is believed to induce economic growth while the annual budget is a significant instrument in measuring expenditure and revenue expectations. The record of successes from the 2019 budget on the economy bolsters government commitment and effort to increase aggregate demand in 2020 through fiscal measures achieved by increasing expenditure and cutting down on taxes for some businesses and outright exemptions for others. The efforts are ably captured in the 2020 budget. In the budget, the sum of N10.59 trillion ($29.42 billion) was earmarked for spending compared with the figure for the 2019 budget that stood at N8.83 trillion ($24.53 billion). The increase over the 2019 budget was to the tune of N1.76 trillion ($4.89 billion) representing a 19.93 percent increase and 11% of the National GDP (Onyekwena & Ekeruche, 2020).

That apart, the issue of deficit financing is reported to be a recurring decimal in Nigeria's budgeting system over the years. COVID-19 era inevitably has introduced some unavoidable disruptions in government spending. To sustain the economic tempo, the government has continued to explore ways and means to deploy sufficient resources to fight the pandemic. This has been in the form of the building of more isolation centres, hospitals, purchase of test kits, personal protective types of equipment, engagement of more qualified medical personnel as well as fiscal stimulus and palliatives. Regrettably, the country is a mono-economy driven largely by dollar revenues from crude oil export sales. Incidentally, demand for the oil commodity is constrained and global oil prices continue to nose-dive on a daily basis during the pandemic period giving rise to disruptions in government expected revenue.

According to KPMG (2020), the disruptions are occasioned by disagreement between Saudi Arabia and Russia which interrupted the dynamics of demand and supply forces of global oil and market prices. It caused Nigerian oil price to fall below $30 per barrel while oil inventories get accumulated arising from dampening demand. The Brent crude price in April 2020 just exceeded $26 per barrel whereas the Nigerian government budget for the year 2020 was based on an oil price of $57 per barrel. The plummeting of oil price during the COVID-19 pandemic only shows that it is practically impossible for the government to still fund the N2.18 trillion ($6.05 billion) deficit, let alone to fight the ongoing pandemic. With the frequency of fluctuation in the global oil market, the oil price outlook will only be a sea of unpredictable outcomes for Nigeria. Deficit financing quagmire is envisaged from the perspective of the 2020 budget as the dynamics in the global oil market continue to unfold, with a depressing impact on volume and the net value of the country's exports.

Drawing on this, the 2020 national budget realisation is on a doubtful note; tinkering with the approved budget estimates by revising downward and sourcing for funds to fight the pandemic is very likely. The realism became obvious, when on March 18, 2020, the Honourable Minister for Finance, Budget and Planning, Mrs. Amina Zanaib Ahmed announced a cut of a whooping sum of N1.5 trillion ($4.17 billion) in non-essential capital spending contained in the budget. The government also looked into other cheaper sources of funding and support from multilateral lending institutions such as the Africa Development Bank (ADB), IMF and World Bank. Appeals have also gone to public-spirited individuals to donate funds as a form of assistance in the procurement of face masks, sanitizers, respirators, ventilators, personal protective equipment, testing kits, building more isolation centres, engagement of volunteers and incentivizing existing medical personnel to improve capacity in containing, managing and defeating the pandemic. Actions to realise all of these, definitely may lead to an unexpected upward surge in fiscal government spending that may have an impact on the overall economy.

COVID-19 and Supply Side of the Economy (Output Level)

It is an economic saying that demand creates its supply and vice versa according to Say's Law. As COVID-19 spreads further in the country, its continued negative impact on the demand channel also has an unfavourable impact on the supply channel on the strength of policy measures imposed to defeat it completely. United Capital Research (2020) succinctly put it that COVID-19 has a negative economic impact and the earlier a cure is found the better for the world economy and Nigeria inclusive. Economic growth (domestic output) in the first and second quarter for Nigeria in the year 2020 may come weaker than expected to impair the 2.3% growth rate originally forecasted for the year. The ability of the domestic productive capacity of the economy to produce and supply goods and services has continued to be undermined by the multiplicity of factors, ranging from the epileptic power supply, transport infrastructural decay, corruption, lack of adequate capital goods, lack of access to modern technology and others have remained endemic. An inappropriate mix of fiscal and monetary policies to galvanise maximum production has remained problematic with very few successes recorded so far. The country's growing population has inevitably been on the upward trend and local capacity to produce and meet the growing demand has been a mirage.

Constant production shortfall is a recurring decimal while efforts to breach the supply gap as reasoned by authorities can only come from importation. Importation has huge influences on the external account sector of the country. With the presence of the Covi-19 pandemic threat, the sector is impacted negatively in an unprecedented way. For instance, according to CBN (2019) economic report for November 2019 showed that Nigeria's current account position slipped into a deficit due to oil price shock, constraints in foreign exchange and a high degree of import dependency. These factors are not likely to improve in 2020 as the outbreak of COVID-19 would worsen the situation (United Capital Research, 2020). The country's key import partners in 2019 are: the entire Africa continent 6.5%, Americas 13.5%, Europe 30% and Asia 49.6%. Based on these statistics, 50% of Nigeria's export which is a driver of foreign exchange is sourced from Asia, with 25.5 % from China, 12% from India and the rest while 12.5 % is from other parts of Asia (National Bureau of Statistics, 2019).

According to KPMG (2020), in the year 2019, imports from China to Nigeria was N4.3 trillion constituting about 25% of total imports and of this value, imported manufactured goods were about 70% of total import. With the COVID-19 more pronounced in the Asian region, particularly in China, Nigerian traders may have concerns about their import activities. They have no other options but to engage in either import-cutting or find other climes for alternative sources for trade. More so, the shutting down of export-oriented factories in China caused a reduction in goods flowing through the global supply chain leading to shortages in supplies to import-dependent countries like Nigeria. Prices of unsold stock of imported supplies have suddenly risen beyond expectation which now triggered inflationary pressures on prices of basic goods and commodities even when demand for imports remains low. It is, however, expected that import levels will marginally moderate in the year 2020, less than expected in the decline of exports, despite CBN interventionist activity to discourage imports through foreign exchange restriction (United Capital Research, 2020).

The net services component of the current account also suffered an incredible impact from the pandemic. Many businesses engaged in cutting down travels into and outside the country. Restriction bans on non-essential travel to countries, a complete ban on all form of inward as well as outward travel within the country and shutting all the international airports except the Murtala Mohammed International Airport, Lagos led to the drastic reduction in demand for international and domestic travels and some airlines are forced to temporarily shut down operations. Projected income for the aviation sector experienced a significant decline and its contribution to GDP may be negligible if the pandemic persists. If this is anything to go by, IATA (2020), projected that travel restrictions have cost the tourism industry a loss of over $200 billion globally excluding other revenue losses for tourism travel. It also forecasted that the cost to the global aviation industry is about a total of $113 billion loss. The Nigeria aviation sector is a fledgling sector and the suspension of both local and international flights in the sector has totally brought to a halt its revenue-generating potential. With the stoppage of flights, the sector would have to struggle to pay staff salaries and meet other fixed overheads expenditure. If COVID-19 devastation continues unabated the way it is unfolding, it would likely cause the industry contribution to the external sector of the economy at the end of 2020 would be woeful with a negative effect on the net income portion of the country’s current account.

In the thick of the ongoing pandemic period, United Capital Research (2020) opined that Brent crude price was $30.4 per barrel trading below the CBN’s lower band of $50 per barrel impacting significantly on foreign exchange earnings. Gross foreign exchange reserves on the other hand stood at a worrisome level of $36.2 billion as against $ 30.0b the trigger level of CBN’s devaluation. The statistics raised the risk level in the capital market and caused foreign investors to exit their risk exposure particularly on naira-dominated assets while local investors begin to exploit the advantage created to engage in speculative activities to take positions on the naira. With these simultaneous occurrences, the chances of devaluating the naira are imminent by half-year into 2020 at a 50% to 60 % probability level if the COVID-19 situation persists into the early part of the third quarter (Q3) of 2020 and a probability level of 60% to 70 % if OPEC members fail to extend production cut in April 2020 (United Capital Research, 2020).

With COVID-19 disruptions taking firm roots in the capital market, a successful return to the international debt market would lead to total erosion of the opportunity to devalue the naira in the year 2020. Currently, panic buying and speculation in the market is already putting pressure on the local currency for the rest part of the year. Sustained depreciation of the currency may not be dismissed as it is expected to fluctuate around N370 against the dollar should the CBN imminent adjustment intervention is anticipated. On the global view, global stock markets lost $6 trillion in stock value over six days beginning from 23 to 28 February 2020 according to S & P Dow Jones Indices. Net transfer surplus is impacted negatively as Nigerian citizens abroad now resort to cutting down the amount and quantity of remittances sent back home to meet needs in the countries they reside abroad (United Capital Research, 2020). The export component of the external sector is a significant factor in assessing the balance of trade terms. It was also visited with a plunge due to COVID-19. The key export markets of Nigeria constitute– entire Africa continent at 20.4%, Americas at 10.7%, Europe 39.7% and Asia 28.2% (National Bureau of Statistics, 2019).

Nigerian Government Policy Responses

Fiscal Policy Response

On the fiscal policy side, the Presidency through the Minister of Finance, Budget and Planning have embarked on a downward review of the 2020 budget to align with the stark realities as the current budget estimates are no longer feasible and achievable. Revenue projection appears unattainable as world crude oil price continues to experience a downward trend from the initial price of $57 per barrel to an abysmally low price of $25 in March 2020. All budget benchmarks upon which the budget was drawn have been disrupted and still experiencing disruption from COVID-19 outbreak. For the government to ramp up revenue from the non-oil sector may be a difficult exercise to embark upon taking into account the time frame required to do so. Clearly, a wider fiscal deficit may continue to be in sight during the pandemic period. The free fall of world crude oil prices has caused production costs from derived products, especially petrol to go down in the country. The impact is that government expected spending on petrol subsidies in the form of under-recovery is no longer expected while profit expectation from the sale of petrol looks very apparent on the horizon. The PPPRA template for petrol dropped to N114.53 based on refined petrol open market price and this was followed by a reduction in the domestic price from N145 per liter to N125 and later to N123 per litre as one of the fiscal stimulus to cushion the pandemic economic impact.

The Federal Inland Revenue Service (FIRS) as part of efforts to alleviate COVID-19 impact on corporate businesses has announced some fiscal measures as such: extension of timeline for filing of value-added tax and withholding tax from the 21st day to the last working day of the month, following the month of deductions; extension of the due date for filing of companies income tax returns by one month; use of electronic platforms for payment of taxes and processing of tax clearance certificates; filing of tax returns by taxpayers without audited financial statements which must be submitted within two months of the revised due date of filing; proposed creation of a portal where documents required for desk reviews and tax audits will be uploaded by taxpayers for online access by the tax authority. The Lagos State Internal Revenue Service (LIRS) also introduced some fiscal measures to cushion businesses operating in the State which include: extension of the deadline for filing annual tax returns for employees and self-employed persons by two months from 31 March 2020 to 31 May 2020. The Nigerian Stock Exchange (NSE) also issued guidelines to ameliorate COVID-19 impact on issuers and dealing members on the Exchange by granting a 60-day extension to issuers and dealing members for filing of 2019 full-year financial reports from 30 March 2020 to 29 May 2020.

Monetary Policy Response

Government response to the pandemic has also lead to fears of economic contraction in the form of existing interest rates that undermine the capacity of individuals and firms to increase both their demand and supply for goods and services. More pathetic is that most individuals and firms are observing lockdown, where production is temporarily in a pause and workers are facing income cuts for inactivity for the period. The intervention of CBN is highly commendable during the pandemic period otherwise a further drastic deterioration of the economy will be unabated. The intervention came in the form of cutting down interest rates and the use of both conventional and unconventional means to make credit provision available to stimulate the demand and supply of goods and services. Specifically, CBN (2020) outlined six measures as a way to manage COVID-19 impact on the economy which began with the. announcement of policy measures worth N3.5 trillion that includes: additional moratorium of one year on CBN intervention facilities; interest rate reduction from 9% to 5% on intervention facilities; creation of N50 billion target credit facility for affected households and small and medium enterprises; granting of regulatory forbearance to banks for restructuring terms of facilities in affected sectors. In order to improve foreign exchange supply, government has directed oil companies and oil service companies within its jurisdiction to sell foreign exchange to the CBN rather than the Nigerian National Petroleum Corporation. The CBN in addition has made provision of additional N100 billion intervention funds in healthcare loans to pharmaceutical companies and health care practitioners intending to expand and build capacity. The bank has also introduced the suspension of foreign exchange sales to Bureau De Change operators till further notice based on the request of the Association of Bureau de Change Operators of Nigeria (ABCON) to declare a market holiday on its members' weekly bidding. In the long term, CBN has also announced that the Health intervention fund will get new interest rate by March 2021 while there will be an identification of few key local pharmaceutical companies that will be granted funding facilities to support the procurement of raw materials and equipment required to boost local drug production. That apart, an additional N1trillion in loans will be set aside to boost local manufacturing and production across critical sectors.

As a complement, the House of Representatives (HORs) on Tuesday 24 March 2020 also deployed some legislative measures to cushion COVID-19 economic impact on citizens and businesses. The House passed a bill that seeks to: protect employees from loss of jobs which also grants a 50% income tax rebate on the total actual amount due or paid as pay-as-you-earn (PAYE) tax under the Personal Income Tax Act 2004 (as amended) to Nigerian companies as an incentive to retain all employees from 1st March, 2020 to 31 December 2020. A bill was also passed that seeks to suspend import duties on medical equipment, medicines and personal protective gears required for the treatment and management of COVID-19 for three months, effective 1st March, 2020.

Another bill was also passed which seek to introduce a new moratorium on mortgage obligations of Nigerians under the National Housing Fund.

Social Impact of COVID-19

The social impact of COVID-19 is far-reaching and complex given the conditions prevalent in a given country. Apparently, the social impact from every ramification appears discernibly disproportional across countries hit by the virus. This is primarily accentuated by the level and quality of response on the part of the government, the level of understanding shown by the citizens, their support, behaviours and compliance tendencies with the measures put in place to mitigate the disease severity and spread. While some countries particularly those in Africa experienced mild severity on account of the low level of infection rate and deaths while countries in Europe and America experienced higher level of infection rate and deaths... On a country-by-country case analysis, the social impact of the pandemic may present voluminous details that would be intriguing and disturbing as well considering the degree of human rights violation and disruption of the social life of the people. In Nigeria, the impact of the pandemic on social-relations amongst the people that populate the informal business sector is very huge. The sector is very dominant and pervasive which accounts for more than half of the country's gross national product. It comprises of activities undertaken by roadside mechanics, vulcanizers, petty traders, artisans involved in iron smelting, wood carving, carpentry and furniture making, Keke and tricycle riders, shop-based tailors or designers, street-based shoe menders, hairdressers, stylists, barbers, electricians, technicians, market women engaged in selling and transporting agro-produce, construction daily workers, bricklayers sellers, dealers in second-hand clothing /wares, hawkers of various products, the list is endless (Ohaeri & Okon,2020).

The Pros of COVID-19 Social Impact

Reduction in Traffic Gridlock and Pressure on the Transportation System

The mitigation measures of COVID-19 brought about an unprecedented level of movement restrictions. The consequence can be seen from the numbers of persons who now go out to work which are now lesser compared to the pre-COVID era. The usual traffic gridlocks and the associated social frustrations often found in urban cities suddenly reduced and in some areas disappeared completely. It also resulted into drastic reduction in the number of medical cases related to social frustrations and tensions as more people now stay away from work. The movement restriction has also made it possible for few persons to be on the road perhaps for engaging in essential services. The usual pressure on both private and public transportation systems that result into traffic gridlock has reduced significantly so also is the number of road crashes and the associated deaths (Amitkumar & Bhargav,2020).

Increased Spend Time WITH Families AND Neighbours BY THE WORKING Class AND Business Owners

That apart, some working class persons and business owners who hitherto do not have time to spend with their families and relatives due to work demand and office responsibilities are now been forced to stay at home. By the compulsion, they now have more quality time to spend with their family's members and loved ones including close neighbours. Thus, more strong family ties and relationship with neighbours now became possible in COVID-19 era than in pre-COVID-19 period.

Increased Attention to Hobbies, Reduction to Environmental Pollution and Health Related Diseases

Similarly, hobbies which most working groups have brushed aside or scarcely attend to in the pre virus era on account of work demands and life hassles suddenly assumed an increasing trend. People now appropriate more time than for hobbies hitherto ignored to abate boredom of staying indoors all through. In remote areas of cities, you now find people engage in sporting and physical activities. Environmental pollution associated with rickety and smoking vehicles on the roads is likely to decline drastically as fewer vehicles on essential services are permitted on the roads. That apart, activities of manufacturing companies in the areas of solid minerals, chemicals and allied products and those of oil companies engaged in oil exploration and gas flaring in the country, particularly in the Niger Delta region of Nigeria were also affected. The production level of some of these companies drastically reduced on account of the social distancing and partial closure measures declared government as a way to flatten the pandemic curve; which informed a situation whereby only a few essential employees or workers now go to work. This in many ways resulted in a significant reduction in the level of environmental pollution associated with the activities of these companies' operations. Obviously, this has led to cleaner and purer air, water and rivers devoid of the usual pollutants. The known and recurring pre-existing non-communicable diseases associated with environmental pollution before the pandemic era such as respiratory problems, skin and eye irritants are likely to decrease substantially. However, opportunities for animals to enjoy some form of right of movement within their physical and natural environment given restriction on human beings to stay indoors will arise; an atmosphere that is almost near impossible before the COVID-19 outbreak.

The Cons of COVID-19 Social Impact

Disruption of Social-Relations Amongst the Working and Business Class Including Pupils, Students and Teachers

There is no gainsaying that the COVID-19 mitigation measures impacted countries, societies and individuals negatively. While existing social relations amongst the working population remained impacted; others that engaged in one form of trade or business activities to earn a living, for life to be meaningful suffered greatly arising from the social distancing measure imposed and the outright closure of some businesses. Social relations especially among staff, employees and employers, buyers and sellers, debtors and creditors were disrupted in some ways. Business deals earlier struck before COVID-19 which were to be consummated in the future became impossible especially those that fall within the pandemic crisis. A renegotiation becomes inevitable which may involve spending more quality time on an issue previously sealed with possible impact on other significant scarce resources. Social relations amongst pupils, students and teachers at the primary, secondary and tertiary school levels suffered significant setbacks. The shutdown of schools across the country and the world impacted negatively also on the existing social relations in the school systems. There was breakdown of these relations as physical relationships and interactions were abhorred. It practically made it impossible for stakeholders in this sector to have the usual physical relationships except through virtual media especially for those who can afford the cost associated with such infrastructure.

Undermining of Social-Relations Amongst the Marginalized and the Oppressed in the Society

The social relations among the marginalized, oppressed and underprivileged in the social ladder of the wider society are worthy of consideration. These relations are no doubt battered with the imposition of the social distancing protocol. With the enforcement of the protocol, this group of persons were not only separated from one another but were dislocated from access to support hitherto enjoyed in pre-COVID 19 eras. This has in a way stripped them of their usual joy and as such plunged them into a state of despair and want. Frustrations, as well as the threat to life and livelihood which ordinarily appear imaginary are no longer the case but have become more real in their very eyes. People with special needs will suffer tremendously. This group of people would ordinarily be challenged when they are needed to be transported to places where they should get medical attention and needs. Vehicular movement restrictions may constitute an impediment that can lead to denial of this group of person’s means of transportation and by so doing they are socially cut-off from their caregivers. This in many ways would likely worsen their medical conditions and can lead to avoidable death.

Strain on the Social-Relations Between Farmers and Off-Takers.

Social relations amongst farmers, off-takers of their products and providers of farm implements and other products obviously are factors to note. Movement restriction and Social distancing measures have their tow on farmers -customer relations. Physical transaction relations which were the norm are no longer allowed with the affectionate aspect completely diminished. Social relationships built along this line were not only disrupted by the pandemic mitigation measures but it is expected to further exacerbated agricultural production volumes.

Impairing of Social-Relations Amongst Faithfull's of a Creed and Interpersonal Relations

The usual glamour and glitz that goes with religious activities, burial, birthdays, house warming and opening including other entertainment events were interfered with greatly by the introduction of social distancing protocol. The implementation regulated the number of people required in any gathering to be 10 or not more than 50 for large gatherings. By this, citizens' inalienable rights of movement and rights of association were not only duly affected but trampled upon.

Widening Disparity in Health Relations Amongst People

It is important to note that the existing health disparity among the rich and poor and between the urban and rural areas is likely to be widened. Isolation centres and testing efforts are in most cases concentrated in the urban centres to the detriment of rural areas. Where infection happens to occur at the rural levels, it may be difficult to report, manage, trace and death avoided as emergency care and isolation centres are distantly far of. With the dusk to dawn curfews imposed and movement restrictions in some parts of the country, additional constraints are imposed which may limit citizens' right to access healthcare services during the pandemic.

Increased Social Tensions and Stress from Economic Contraction and Job Losses

UNDP (2020) opined that the services, trade and financial sectors in Nigeria suffered significantly in the COVID-19 era. The sectors collectively account for over 30% of the country's gross domestic product. The sectors' contraction have resulted in significant job losses in both the formal and informal job markets and most likely to worsen the existing instability in the country. Already youth unemployment and underemployment in the country is very high which is about 55% that is likely to be exacerbated further. It is also likely this factor would fuel conditions for social disgruntlement and social unrest due economic losses suffered. Stress is also likely to be generated which may result in the form of visible cracks that can create opportunities for unacceptable societal norms and behaviour that may become more rampant.

Increased Domestic Violence and Suicide Cases

According to UNDP (2020) evidence reveal that pandemics have the potency to increase risks associated with domestic violence: Reports from China show that domestic violence tripled during the pandemic including violence against health workers from stress levels on the part of patients; as well as increased abuse and exploitation of women and girls. Frustrations associated with the economic hardship are also likely among citizens who can fuel serious social tension and discontent among those who lost their jobs and source of livelihood which may further accelerate the rate of social vices. Cases of suicide among citizens tend to assume a more frightening dimension as the pandemic intensifies. This is particularly pathetic arising from the background that Nigeria is known recently to be the poverty capital of the world and one of the ten countries with the worst food crisis (Food Security Information Network, 2020).

Increased Gender Inequity, Crime Rate and Poverty Level

Gender inequity somehow got widened in the era of the pandemic. A critical analysis of the pandemic situation shows succinctly that women were more at the receiving end as most of them that engage in petty business trading could no longer do so due to the pandemic mitigating measures. Other vulnerable and disadvantaged groups in society are more impacted negatively than others in the society (Paz, Muller, Boudet & Gaddis 2020). The consequence is not farfetched as it is likely to lead to rising cases of insecurity in the nation whereby they become willing recruits into insurgency, armed banditry, robbery, kidnapping, ritual killings and other allied crimes. The already worse poverty level in the country which has made the government initiated determined strategies to tackle is again made worst. According to ILO (2020), the pandemic impact shows that poverty worldwide is likely to be 8.8 million than what was estimated initially. That apart much more impoverishment is probable in the 2020 predictions than the pre-COVID 19 periods whereby between 20.2 million and 35million people will become poor while employees poverty level may likely increase significantly.

Weakening of Citizens' Societal Resilience, Disregard to Citizens' Consultation and Promotion of Government Arbitrariness.

The restrictive nature of the disease counter measures would considerably help to curtail internal conflict and the accompanying humanitarian crisis in the North West and Eastern part of the country. However, the social networks that should foster more social connectedness amongst citizens to garner societal resilience and collectivism against the crisis tend to be further weakened. The speed with which the protocols were put in place disregarded citizens' consultations to win their support and ensure their sufficient buy-in to engender successful implementation. It apparently allowed the government to engage in some form of arbitrariness devoid of consultation with citizens' which tends to promote dictatorial tendencies and display of impunity under the guise to flat the pandemic curve.

CONCLUSION

Government decision to contain COVID-19 could be weighed on two major planks, to either save the peoples' lives first before the economy or save the economy first before the peoples' lives. The Nigerian government response to the pandemic invariably underscores the first proposition of saving the peoples' lives before the economy. The health measures as expressed by lockdown and restriction of movement did not only deteriorate the purchasing power of the people through the general rise in prices triggered by panic buying but also led to the sudden scarcity of essential items concerning demand pressure. People's livelihood especially those in the gig and informal economy were adversely affected in terms of difficulties in income generation which dampened their demand for goods and services. Businesses were closed down limiting production activities with attendant effect on the reduced supply of goods and services thereby inflicting dislocations on the national supply chain. Unsold inventory suddenly started to command high prices diminishing the purchasing power and income capacity of individuals, businesses and government. It also impacted the supply side of the economy where imports of goods and services were reduced drastically as major trading partners such as countries in Asia and America shut down factories, airports, seaports which constrained the global flow of goods and services to augment the domestic supply gap created causing more scarcity of goods and services. Exchange rate volatility continues to swing upwards as the country's main foreign exchange earner- crude oil experienced production glut, leading to unsold inventories leading to world oil prices to move in downward directions. The Nigerian 2020 federal government budget and other sub-national budgets were thrown into disarray, as the budgets became outdated in the current reality. Foreign exchange from exports is jeopardized .Its availability becomes more complicated by the sell-off of investments by foreign portfolio investors to safeguard their capital. Overall aggregate demand and supply continued to be impacted negatively. The social impacts are in two folds viz the pros and cons. The pros include reduction in traffic grid lock in the cities; environmental pollution and health related diseases; increased spend time with family member and neighbours among working class and business owners; and increased attention to hobbies. The cons are disruption to existing social relations among several segments of society, widening disparity in health among persons, increased social tensions, stress, domestic violence, suicide cases, gender inequity, crime rate, poverty level ,weakening of citizens’ societal resilience, disregard to citizens’ consultation and promotion of government arbitrariness.

RECOMMENDATIONS

Hossain (2020) asserted that the impacts of COVID-19 on the economy can be ameliorated through mitigation and economic policy insights. The study therefore recommends as follows: The palliatives given in the form of bail-out funds (soft loans) should be made available to support critical and growth-inducing sectors that are mostly hard hit during the pandemic, such as the aviation, manufacturing, agriculture, entertainment and sporting sector if the government is determined to improve the economy, the welfare of individuals and businesses, prevent job cuts and, avoid a rise in unemployment and criminality. To do otherwise will be an invitation for more disaster to the economy especially to individuals and businesses that are currently under the heavy yoke of the COVID-19 pandemic. The option of cutting down of wasteful spending on non-essential capital budget should be embraced while internal borrowing sources which present a cost-effective alternative in terms of cost of capital and other associated obligations should be patronized to muster the necessary funding required to mitigate the pandemic.

Exchange rate volatility is likely to continue during this pandemic period and will harm revenues accruing to the government and stifle businesses that engage in export and import activities while sustained foreign capital flight will continue unabated. The CBN should embark upon measures to intervene through conventional means to curtail outflow of foreign capital through deliberate policy measures such as increases in open market operation rates to encourage investments. This is likely to compensate foreign portfolio investors for increased risks and would also help to defend any further run on the naira. The CBN should also focus on domestic investors by providing investment funding at a single digit and intensify its developmental role in virtually every sector to ensure speedy recovery from the downturn caused by the pandemic. Given the fall of the country’s crude oil price, it presents the government with an opportunity to deregulate the petroleum sector. With deregulation, the entrenched obstacles in the sector responsible for inefficiencies, ineffectiveness and constraining injection of more capital investments will no longer exist rather it usher in a cost-effective production and market pricing policies. Governments both at the federal and state levels should think about creative ways for a gradual easing of the lockdown to enable individuals, businesses, government ministries, departments and agencies to conduct their businesses as Nigeria cannot afford a prolonged shutdown of the economy. This would help to ameliorate the attendant worsening social impact on the people.

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