

THE AFTERMATH OF COVID-19 PANDEMIC ON NIGERIAN ECONOMY. IMPLICATIONS ON EDUCATION

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ABSTRACT

Coronavirus which caused diseases that range from the common cold to severe acute respiratory syndrome, is a family from virus. The most recent coronavirus which has been referred to as COVID-19 due to the fact that it started in China in 2019 is an infectious disease caused by a newly discovered Coronavirus. The deadly disease hit Nigeria in 28th February 2020 and with 343 confirmed cases and 10 deaths in 13th April 2020, Nigeria was compelled to look for measures to contain the pandemic and prevent or slow down the spread of the virus. As a result, Nigeria government embarked on some measures which include total lockdown to restrict movements, social distancing to prevent transmission, washing of hands and wearing of face or nose masks. However most of these measures coupled with the menace of the pandemic have adversely affected the Nigerian economy. This work determines to investigate on the aftermath of COVID-19 pandemic on Nigerian economy, and the implications in education. It seeks to look into how lockdown and social distancing have affected businesses and trades, price of oil, budget, food systems and individual citizens. It also seeks to find out the implications of COVID-19 effects in education.

KEYWORDS: Coronavirus, lockdown, budget cut, economy, education.

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INTRODUCTION

Coronavirus is a family of virus, and it causes diseases that range from the common cold to severe Acute Respiratory Syndrome (SARS). The most recent coronavirus sometimes referred to as the novel Coronavirus Disease is called COVID-19 as it was first detected in Wuhan China in November 17th 2019, a date that gave it the popular name COVID-19. It is an infectious disease caused by a newly discovered coronavirus. According to WHO-EMRO (2020), it is a new strain that has not been previously identified in humans. Since its first case in China, COVID-19 has spread to almost every country of the world, and reached Nigeria later.

Initially, the spread of the coronavirus spared Nigeria like many other African countries with zero recorded case in January 2020. This luck did not last long as by 27th February 2020, the Federal Ministry of Health confirmed the first coronavirus case in Nigeria, while the Nigerian Centre for Disease Control (NCDC) confirmed it in 28th February 2020. The index case

involved an Italian who entered the country on 24th February 2020 through a Turkish Airlines Flight travelled via Istanbul to Lagos. The Italian was confirmed Positive to coronavirus at the Virology Laboratory of Lagos State University Teaching Hospital, part the Laboratory Network of the Nigerian Centre for Disease Control (Burke and Rourke 2020). Two months later according to Wikipedia (2020), World Literacy Foundation (2020) and Nwanmereni (2020), 343 confirmed cases, 19 recovered, and 10 deaths compelled Nigeria to have pressing cause for concern. As a matter of urgency, Nigerian just like many other countries of the world suggested various levels of containment to prevent the spread of coronavirus. As a result, Nigeria took the Following steps to achieve her goals;

LOCKDOWN

Lockdown was the most effective measure Nigeria took just like other affected countries to contain the spread of the virus. Consequently it became imperative

that public places, such as schools, universities, markets, offices, business centers and religious worshiping centers were shut down. Concomitantly, the president of Nigeria, Muhammadu Buhari, ordered shutdown to come into effect on Monday 30th March 2020. This helped in a big way to limit the movements and interactions of people with others, so as to slow the spread of the virus, while health care system coped with the pandemic (Kola 2020, World Economic Forum 2020, and Adedigha 2020). Before the national shutdown, Nigeria on Saturday 21st March 2020 had announced the closing of airports to all incoming International Flights for one month in Nigeria (Bashir, Sam, and Cara 2020). NCDC has also launched communications campaign themed “Take Responsibility”. This was to call all Nigerians and residents in the country to join forces and to be proactive in taking greater individual and collective responsibility in preventing and controlling the spread of COVID-19 in Nigeria. For this measure to be more effective, the Federal government issued a compulsory stay-at-home directive for non-essential public servants in grade 12 and below. As a result, state governments at all levels took proactive measures to shutdown markets, schools, offices, large gathering and those selling non-essential life – saving commodities with the exemption of those selling foods, water and medicine for an initial period. (Kola 2020) However, the lockdown lasted till May 4th 2020 as Muhammadu Buhari on 27th April announced a phased and gradual easing of the lockdown measures in Lagos, Ogun, Abuja and other states. The new responsive approach according to him was due to the “heavy economic cost” of the lockdown and the need to “balance and protect health while also preserving livelihoods” the new measures included a ban on interstate travel, mandating the use of face masks and a curfew from 8.00PM to 6.00AM. existing restrictions on large social and religious gathering would also remain in place (Kareem 2020).

SOCIAL DISTANCING

This is a strategy to reduce physical contact between people with the aim of slowing down and reducing the spread of COVID-19 pandemic in a community. It is a set of methods for reducing frequency and closeness of contact between people in order to decrease the risk of transmission of diseases. In the course of the 2019-2020 coronavirus pandemic according to Agusi, Ijoma, Nnochim, Njoku-Achu, Nwosuh, Mesoko (2020), the Nigerian Center for Disease Control (NCDC) revised

the definition of social distancing as remaining out of congregated settings. This measure involves adherence to

NON-PHYSICAL GREETINGS SUCH AS HANDSHAKE , HUGGING AND KISSING

Avoidance of mass gathering or social activities that would cause any form of coming together including schools, places of worship, sports and social events like wedding and burial ceremonies.

Maintaining distance approximately six feet (6ft) or two meters from others when possible (Kola 2020, and Agusi et al 2020). The Nigerian Center For Disease Control intensified risk communication with various target audiences such as religious leaders to ensure that information on social distancing and other preventive measures is widely disseminated as a result, many religious leaders mapped out strategies on how to control the large gathering of congregations or worshippers on worship days such as Sundays and Fridays. For instance, the Nigerian Roman Catholic Bishops issued an order that the number of attendance to mass be reduced and that Holy Communion be received on the palms instead of directly in the mouth. Handshake during mass celebration was also suspended (Ugwu 2020).

Individuals and communities were strongly advised to take responsibility and observe social distancing directives, limiting physical contacts with others. The social distancing is an effective way to limit the chances of contracting the virus, slowing down the transmission and reducing the spread of COVID-19 in Nigerian.

FACE MASKS AND WASHING OF HANDS

Wearing of face masks and washing of hands with soap, or sanitizing of the hands with sanitizer are other strategies to curb the spread of COVID-19 pandemic. According to World Health Organization (WHO), medical face masks should be worn primarily by people who show symptoms of the pandemic. health workers and people who are taking care of the COVID-19 patients in close settings (at home or in health care units). The Nigeria Center For Disease Control recommended the use of face masks for members of the public as an additional optional measure, and not as a compulsory one to help block the community transmission of this respiratory droplets from person to person (COVID-19 NCDC 2020). The Nigerian President Muhammadu Buhari therefore mandated the use of face masks or face coverings in public. Due to the global shortage of

medical face masks, Nigeria turned to alternatives to medical face masks for the general public. A cloth face masks made out of everyday fabric could act as a barrier to the respiratory droplets but could not completely protect one from COVID-19. The use of hand washing with soap and water should be performed as frequently as possible or the use of an alcoholic-based sanitizer where there is no availability of water.

COVID-19 AND NIGERIAN ECONOMY

There is no doubt that the coronavirus has a tremendous impact on the global economy, and Nigerian economy is not excluded. The biggest challenge caused by COVID-19 outbreak is the health risks it poses. However, according Besterine (2020), lockdown, social distancing and panic may have enormous economic consequences. This is because the impacts slow down the growth, push up unemployment and lead to recession. The Nigerian government was forced to balance the health of its citizens with economic stability and their own debts. The governments have been introducing many aid programmes and measures to ease the economic pressure brought by COVID-19 outbreak, and the inevitable economic downturn that follows. However, some of these measures have drastic impacts on Nigerian economy.

LOCKDOWN AND NIGERIAN ECONOMY

The lockdown as well as the first tentative steps of relaxation have affected civil society and the economic sectors. The commencement of lockdown in Nigeria brought a restriction on all movements of people including many non-essential businesses both international and local businesses and trades. The effects are discussed in the following sub-headings

LOCKDOWN AND TRADES

Due to restrictions on movement, businesses and trades were adversely affected which left half of the country's population living hand-to-mouth as it had particularly occasioned high prices on goods, food stuff and services. This according to Osman (2020) was as a result of goods and food stuff not being freely transported to consumers even though there were some exemptions for essential commodities such as food and medication. Consequently, a significant proportion of small businesses in the formal sector lost over 2.7 billion naira in revenue during the lockdown. According to the latest data compiled by the Lagos chamber of commerce and industry (Adekoye 2020), 81 percent of sampled businesses were seriously

affected by the shutdown, with 17 percent indicating moderate impact on their enterprises.

In services sector, Adekoye (2020) estimates that lockdown had a severe impact on over 50 percent of businesses. This is as a result of lower demand for services by individuals and corporate clients who had food and essential items as their priorities and paid less attention to these services. According to the statistics of Lagos Chamber of Commerce and Industry (LCCI), 64 per cent reported that they had lost N500,000 and below daily during the lockdown, while 16 per cent had a deficit of between one and two million naira (N1,000,000-2,000,000), 20 per cent incurred 2,000,000 and above) daily on negative score card during the period (Adegoke 2020).

A conservative assumption that sampled business operators felt that the operators lost an average of five million naira (N5,000,000.00) each day during the lockdown. This suggests that each operator lost 17.5 million naira within the five weeks lockdown (March 31st - May 3rd 2020). This modest estimation shows that about 2.7 billion naira was lost in revenue by 153 sampled businesses to the lockdown. This translates to trillions of naira losses for thousands of businesses in Lagos alone, other cities not mentioned. According to the report, the survey captured business operators across various sectors of the economy including food processing, agriculture, financial services, professional services, ICT exports trade and freight forwarding. The findings of LCCI indicates that selected business operators planned and engaged in cost-cutting strategies to minimize losses and stay afloat in the post pandemic era by downsizing operations to minimize losses. Through these strategies, many workers were laid off. As a result, 27 per cent of Nigeria labour force, over 21 million Nigerians became unemployed. Nigerian statistics bureau shows that with many Nigerians made unemployed during COVID-19 pandemic lockdown, Nigerian economy had gone down by 6.1 per cent in the second quarter of the year 2020, Adekoye 2020).

LOCKDOWN AND FOOD SYSTEM

While food systems were exempted from lockdown policies, they were not immuned to the effects of COVID-19 pandemic. Despite being exempted from many of the governmental lockdown policies, there is an estimation of eleven percent (11 %) decline in agricultural food system (GDP (Gross Domestic Product which is about 1.6 billion U. S dollars) and a temporary nine percent (9%) point increase on the

national poverty head count rate. This implies that there were 17 million more people living below the poverty level during the eight weeks lockdown period, some of who remained poor at the end of the year 2020. As a result, half of Nigerian population was left living hand-to-mouth and street children struggling to survive due to particularly high price on goods and food stuff (Onyekwena and Amaranma (2020).

Findings according to Andam, Edeh, and Thurlow (2020) indicate that agricultural food system GDP fall eleven per cent (11%) primarily due to restrictions on food services during the lockdown. Household incomes also fell by a quarter, leading to a nine per cent (9%) points increase in the national poverty rate. Given the scale of these economic losses, our recovery scenarios show that even with a rapid easing of restrictions and global recovery, Nigeria is unlikely to escape a deep economic recession.

LOCKDOWN AND THE FALL ON OIL PRICE AND BUDGET CUT

The price of oil has been falling steadily across the global markets since the break out of the coronavirus pandemic. So, the shutdown of major economic and trade routes to curb the spread of the virus has drastically affected oil demand. For instance, according to Kareem (2020) the United States slashed its Nigerian crude oil Imports by 11.67 million barrels in the first five months of 2020 compared to what it bought in the same period in 2019. Kareem laments that this drop in oil demand has left Nigeria drastically short of earning. However, some oil producing countries including Nigeria have continued to pump crude oil from their wells, causing a catastrophic in balance between over supplied oil and the biggest slump in demand for twenty-five years.

For Nigeria whose reliance on oil is evidently above seventy percent (70%) to fund the budget, this has led to review of the budget in March 2020 (Budgit 2020). In the approved 2020 budget, the oil price bench mark was set at 56 dollars per barrel, while the proposed budget had a bench mark of 55 dollars per barrel despite increase in oil price of 75 dollars per barrel as at September 2019. Nigeria's budget was based on anticipated price of 57 dollars per barrel but the decline in the price of the Brent crude forced the Nigerian government to revise this bench mark to 30 dollars per barrel in March 2020. It was further reviewed in May 2020 to 20 dollars per barrel by the minister for finance while reducing the oil production volume from 2.18mn barrel per dollar. This simply

means that the revenue would be greatly affected and Nigeria might have to borrow to fund its budget. Economists are already forecasting recession for Nigeria due to heavy reliance on oil as revenue.

SOCIAL DISTANCING AND NIGERIAN ECONOMY

In order to contain COVID-19 pandemic, social distancing was also embarked on as a key government strategy. The policy involved limiting contact between people and reduce the viral transmission. It extended from avoidance of shaking of hands to maintaining at least 2.00 meters distance from other people and avoiding non-essential gathering. These measures have economic impact on individuals and their businesses. For instance, transportation of goods, services and individuals was affected. Public buses and taxis including tricycles (Keke na- Pep) reduced the number of passengers in a trip to fifty per cent (50%) to avoid physical contact among passengers which reduced their daily income. Passengers on their own experienced delays in travelling within the states and many people are stranded due to reduction in number of passengers per trip. This also affected the businesses of those being delayed or denied of travelling. As a result, goods and services became expensive for the common man and consumers who have been locked down. In a country where more than eighty-five per cent (85%) of its population survives economically on day-to-day basis, their means of livelihood is sure to be hampered by lock down.

NIGERIA DEBT DUE TO COVID-19 AND NIGERIAN ECONOMY

Nigeria is noted for taking loans to sustain her economy. This has led to the Nigeria governments being indebted to many organizations and international bodies. In recent time especially since the outbreak of COVID-19 pandemic, Nigeria government have taken loans which might hamper the economic stand of the country. For instance, the World Bank has approved four hundred million U.S dollars (\$400,000,000) credit facility for the purchase and deployment of COVID-19 vaccines in Nigeria. This according to reports would be used to finance easier access to vaccines for Nigeria. The 400 million U.S. dollars credit is an additional financing from the International Development Association (IDA) to provide upfront financing for safe and effective COVID-19 vaccine acquisition and deployment within the country, and also part of the COVID-19 preparedness and Response

Project (The Cable 2020). According to Transparency International (2020), out of one hundred billion U.S dollars (\$100b) International Monetary Fund (IMF) has spent so far in July 2020 on COVID-19 pandemic through its lending capacity, eighty percent (80%) went to ten countries including Nigeria.

There is fear that the accumulation of these debts might affect Nigerian economy adversely as the loans would be difficult for Nigeria government to offset. According to Umoru (2020), the Nigerian Senate has raised an alarm that the total debt profile of Nigeria as at March 2020 stands at thirty-three trillion US dollars (\$33 trillion), Lamenting on this huge debts incurred by Nigeria government partly due to COVID-19 pandemic, Mrs Patience Oniha, the Director General, Debt Management Office (DMO) has expressed fear that economic effects of the coronavirus pandemic might incapacitate and frustrate Nigeria from servicing its debts appropriately which according to her amounts to 33 trillion US dollars as at March 2020.

By mere looking at this figure which obviously excluded the 80%, out of 100 million US dollars spent on ten countries including Nigeria, it is worthy to note that Nigerian economy might suffer a heavy blow which is likely to hit many essential sectors such as education and health sectors.

THE IMPLICATIONS ON EDUCATION IN NIGERIA

The aftermath of COVID-19 pandemic on Nigeria Economy has many implications on education.

The Reduction on Nigeria Budget:

Apart from the reduction on Nigerian budget in March 2020, there has also been a further reduction in May 2020, which had a significant cut in allocation to education sector. The capital expenditure of the Ministry of

Education was reduced by 16 billion naira from 84.7 billion naira to 67.8 billion naira. However, a further breakdown shows that the Universal Basic Education Commission (UBEC), an agency responsible for Basic Education also got a huge cut as over 60 billion naira was removed from the 80.8 billion naira that was allocated in the Appropriated account. With these statistics available, combined with Nigeria's 10.05 million population of out of school children, it is believed that the UBEC programme has not achieved its objectives of ensuring access to nine years of unfettered basic education and reducing the country's out of school population.

The decrease in the allocation to UBEC begs the question on ways by which the government wants to address the menace of the increase in number of out of school children, and the disconnections between the quantity and quality of education being achieved in Nigeria Basic School System.

The education sector is one of the "Untouchables" based on its importance to any economy, as every economy needs educated citizens in order to be productive. The basic education covers the Early Childhood Care and Education (ECCE) as well as primary and Junior Secondary School levels of education. The disproportionate cuts in education budgets will continue to deny Nigerians particularly the poorest and the most vulnerable people the access to effective and functional education services.

The budget trend for now shows that capital allocation to education sector has never hit the commitment target of Abuja and UNESCO declarations which state that allocation should be fifteen to twenty (15-20%) per cent of the total budget (Budget 2020).

Due to the cut in the budget, the federal and state governments budgets for education are already insufficient and are likely to decline further as a result of collapse in oil demand. For instance, according to Obiakor (2020), an open data organization reports that the Federal government has proposed a reduction in the budgetary allocation to education by almost 5.5%. This reduction is reflected in the government statutory transfer to the UBE fund. Apart from the proposed UBE cut, the effect of reduction on total education budget is yet to be estimated but will inevitably affect the whole education system in Nigeria.

Nigeria has continued to lag behind in education financing, and with the current national and global economic recession due to COVID-19 pandemic, the prospects for increased financing in the immediate future are bleak. This will also inevitably affect the overall education system in the country.

The effects of lockdown during COVID-19 pandemic in individuals has also affected the education as the huge loss in businesses and trade will continue to have adverse effect on the families' income and has spread its tentacles on the feeding, health care, and education of the children.

RECOMMENDATIONS:

Given these adverse effects, a pressing economic policy concern is to find ways of reducing the negative impact of COVID-19 pandemic on Nigerian economy:

There are needs for Nigeria to carefully cut the allocations of agencies that run opaque system. For instance, the agencies that have failed to present a detailed budget to the public, agencies that are not open to public scrutiny, and agencies that have duplicated roles. Examples are the National Assembly, National Judicial Council and other agencies under the statutory transfers that have failed to present budget details and leave Nigerians guessing on how funds allocated to them will be spent, which makes them unaccountable.

There is also the necessity to cut down some administrative capital projects in the budget across board. Which include the purchase of scanners, photocopy machines, building renovations among others, over head costs such as travels that might not yield any impact on the country should also be cut.

There is the necessity to consider reopening Nigerian Borders at least particularly to food imports to meet the rising demand for food so as to reduce deeper rate of malnutrition among the vulnerable population group.

It is also necessary that Nigerian economy is diversified to reduce its dependence on oil extraction as the only source of economic growth. Such diverse should include agricultural produce.

Improving the resilience of agriculture production is one way of ensuring that future crises have a more limited impact on the education, health and well being of Nigerians.

Public work programmes and investment in infrastructure can help put money in the hands of workers, who will then be able to go out and spend it and boost the wider economy.

Enhancing factor quality by investing in infrastructure, strengthening land outcomes, liberalizing the trade regime and enhancing trade and transport facilitation. These can help develop value chains and facilitate the efficient reallocation of factors of production.

Conclusion

Human survival has often been threatened by diverse plagues since the existence of man on earth. One of such recent threat is coronavirus popularly known as COVID-19 pandemic. The first case of coronavirus disease was reported in Wuhan, Hubel province in China in November 17th 2019, and came to Nigeria in 28th February 2020. Without doubt, the COVID-19 pandemic had adversely affected all aspects of lives of Nigerians. Its effects ranges from forcing many businesses to shut down temporarily,

forcing governments across the nation to place restrictions on movements, crippling the Nigerian economy and bringing down the demand of goods and services. COVID-19 has so much affected the Nigerian economy and compelled the government to cut down budgets, borrow funds and incur some debts too difficult to repay.

Although the full extent of the economic crises on education spending cannot be accurately estimated, it is obvious that the fall in crude oil prices has negatively affected total allocation to education as a result of the review of the budget in March 2020 (Budget 2020). The resultant effect is that Nigeria has since been experiencing a terrible economic recession that devastates the health, education and lives of its citizens, and will continue to affect and shape the economic, political and social life individually and collectively for a long time.

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