The Socio-Economic Effects of Covid-19 Global Pandemic on Nigeria’s Development

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Abstract: This paper investigates the socio-economic effects of the COVID-19 pandemic on Nigeria’s development. The global Corona virus pandemic is the latest health disaster in the 21st century. The disease originated from the Wuhan province of China in December 2019 and has spread to numerous countries of the world including Nigeria. The study is anchored on the Linkage theory which helps to explain the implication of the pandemic on Nigeria’s security. The study employs the qualitative method, utilises the case study research design and relies on secondary data as drawn from books, book chapters, academic journals, newspapers and online sources. Findings of the study highlight that the pandemic has resulted in increase in unemployment, reduced revenues and increased crime rates. Consequently, the study recommends that palliatives measures should be adopted by the government to cushion the effects of the pandemic for organisations, businesses and individuals, especially the unemployed. In addition, government should intensify security measures to reduce and prevent crimes in Nigeria.

Keywords: COVID-19; pandemic; socio-economic development; Nigeria

1. Introduction

The Corona virus pandemic is the latest threat to health today. The disease emanated from the Wuhan province of China in December 2019 when it was revealed that those affected showed symptoms of Acute Respiratory Distress Syndrome among other complications (Chen, Zhou, Dong, Qu, Gong, Han, Qiu, Wang, Liu, Wei, Xia, Yu, Zhang & Zhang, 2020). Hui, Azhar, Madani, Ntoumi, Koxk, Dar, Ippolito, McHugh, Memish, Drosten, Zumla & Memish (2020) point out that people contracted the disease through the consumption of live animals. At the initial stages, the virus had infected 300 people and caused the deaths of six in Wuhan (Baker, 2020). This number keep on increasing as many more people contracted the disease.

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Currently, the virus had spread all over the world with 2,259,705 global confirmed cases, 154,422 deaths and recovered cases totalled 578,359 (World Health Organisation 2020). Countries most affected by the pandemic include the United States, Italy, Spain, the United Kingdom, France, Netherlands, Iran, South Korea, Malaysia, Thailand, among others (Davidson, 2020; Vara, 2020).

Retrospectively, the world has witnessed health crisis, ranging from malaria, tuberculosis (TB), hepatitis, cholera, lymphatic filariasis, mad cow diseases, Human Immunodeficiency Virus (HIV) which leads to Acquired Immune Deficiency Syndrome (AIDS), Ebola and the swine flu (HINI), among other severe diseases. Of all, the Swine flu (HINI) almost parallel COVID-19 in terms of spread and severity. The Swine virus was first detected in Mexico in June 2009 and was declared a global pandemic by the World Health Organization (WHO). The World Health Organisation (WHO) estimated that over 168 countries were affected by the Swine Flu (HINI) (Charles & Shannon, 2011).

Covid-19 pandemic has a far reaching economic impact on the world economy generally. Demertzis, Sapir, Tagliapietra & Wolff (2020) point out the volatility of the global economic scene as it is currently has not been witnessed since 2008 during the global financial crisis. Tourist centres such as France, Italy witnessed 30 to 80 percent fall in the number of tourists visiting the countries. In response to the issue, the World Health Organisation (WHO) on the 11th of March 2020 declared the coronavirus public health crisis a pandemic due to number of infected persons and the resultant deaths (World Health Organisation, 2020). Social constraints also accompany the pandemic. Widespread fear welcomed the pandemic along with reduction in social-activities. Lockdowns were imposed in different countries, in order to restrict social activities and movements (Evans, 2020).

African countries are not immune from the COVID-19 pandemic and its varying implications. Countries such as South Africa, Algeria, Senegal, Nigeria, Ghana, Central African Republic, Congo and many more have recorded incidents of the coronavirus pandemic. While this is so, few studies have examined the implications of the pandemic. Evans (2020) investigates the global socio-economic imports of the coronavirus with a view of proffering policy solutions. From another perspective, the United Nations Conference on Trade and Development (2020) considers the impact of the coronavirus pandemic on global trade. While these studies abound, no study investigates the socio-economic implications of the COVID-19 pandemic on Nigeria’s development. In line with this gap, this study sets out to investigate the
socio-economic implications of the coronavirus pandemic on Nigeria’s development.

This paper is structured into five sections including the introduction, which presents an overview of the issue, the objective of the study and gaps identified in literature, the literature review which involves the clarification of concepts, the review of relevant literature and the theoretical framework. The third section outlines the methodology employed in the study. The fourth section is the discussion with thematically organises data retrieved in line with the objectives of the study. The fifth section presents the recommendations and conclusions of the study.

2. Conceptual Clarification

2.1. The Concept of Socio-Economic Development

The concept of socio-economic development is a confluence point for numerous definitions, hence, the absence of a universal definition. Regardless of a consensus of a meaning this truism, understanding the concept involves a dichotomization into two (2) distinct terms which are social development and economic development. Social and economic development is forms of development which itself is a multi-faceted concept. Millington & Browne (2015) explain social development as progression or improvements, which among other things include accountability, freedom, societal inclusion and wellbeing. Social development is closely related to issues such as formal and informal power relations, human rights, equality, etc (Millington & Browne, 2015). It is also in synonymous with issues relating to individual expressions of freedom, creativity, complexity and the quest of accomplishments in various fields of endeavour. Economic development differs from social development in that it involves the improvement of the capacities of economic actors in a state (Feldman, Hadjimichael, Kemeny & Lanahan, 2014). Therefore, economic development can be defined as the improvement of the economic capacities of individuals, firms and industries which ultimately contributes to the overall development of a state (Feldman et al., 2014). In the opinion of Deaton (2010) economic development is signified by an upward numerical increase in the saving and investing capacity of a state.

Jointly, the term socio-economic development means that events of social significance within a state are not without economic implications (Chojnicki, 2010). Political events or actions taken by the state create resultant effects, which are
subsumed under social development, which in turn have implications for the economy. As such, economic development in some cases is a resultant effect of social development. To avoid ambiguity however, socio-economic development refers to an improvement in the lifestyles of citizens of a particular state due to the availability of: improved education, skill development, incomes and employment (Kapur, 2018). Chojnicki (2010) explains socio-economic development as a spontaneous and target oriented process, which involves certain changes in the affairs of a particular state. These changes come because of certain factors, which are either endogenous or exogenous.

Internal or endogenous factors are one of the categories of variables or factors positively or negatively affecting development. It refers to that category of factors, which occur or are existent because of facilities of economic activities within a state. Put differently, endogenous factors are those internal factors that positively or negatively affect development (Bodnar, 2016). Antonescu (2015) explains endogenous factors as certain factors existent within a state which encourages the process of self-development. Antonescu (2015) further explains that endogenous factors put forward the idea that development in any form is a function of the ability of the state to utilise these internal factors. In addition, worthy of note is that, internal or endogenous factors of development can (to a considerable extent) be controlled by government policies. Factors under this category include: natural resources, climate, infrastructure, state institutions, leadership, cultural activities, decision making capacity of the state, political structure, territorial peculiarities of the state and so on (Antonescu, 2015; Bodnar, 2016).

External or exogenous factors are a second category of factors affecting social development. To Antonescu (2015) are factors which do not reside within the state or exist within the local context of the society but are external. Exogenous factors can positively or negatively affect the development of states in the international system because in the system, states do not exist in isolation. As such, it is expected that through interactions, certain factors will have impact on the state’s development. Some of these factors include International Organisations, actions and inactions of states in the international system, etc.
2.2. COVID-19 Global Pandemic: Origin and Spread of the Virus

The origin of the current COVID-19 pandemic can be traced back to Wuhan, China where numerous cases of the virus were recorded. The epidemic in December 2019 brought Wuhan to the world’s attention with numerous cases of the infection recorded. The epidemic was traced to the Human seafood market, where live animals were sold. In its early stages in Wuhan, a total of 41 cases were recorded with many experiencing symptoms such as Malaise, dry cough, shortness of breath, etc (Chen et al., 2020; Hui et al, 2020). China and by extension, the world, witnessed the first death from the Virus on the 7th of January 2020. This was a 61 year old man who had contracted the virus after he purchased commodities from the market. The Chinese government through health authorities began investigations to identify the underlying causes of infections. Results of these efforts were communicated to the World Health Organisation which subsequently named the virus as the COVID-19 (Hui et al, 2020). In Thailand, an index case was recorded on the 13th of January after an infected patient returned from China. Subsequently, it spread to the United States, Nepal, France, Malaysia, Singapore, etc (Aljazeera, 2020). The contagious nature of the disease granted it speed in infecting a number of people within a short space of time. In February, a total of 81,109 cases were recorded all over the world with China at the time having 78,191 of those cases. Outside the Asian giant, 2918 cases were recorded in 37 countries (World Health Organisation, 2020). The increasing number of cases forced the World Health Organization to declare the COVID-19 a pandemic. As at April 2020, more than 1,000,000 cases had been reported worldwide, with a total of 62,784 deaths (World Health Organisation, 2020).With the absence of vaccines and the little availability of other means of cure, countries have embraced preventive approaches to limit the spread of the virus. The first step in the responses of states to the pandemic is to limit social contact. Some of the measures to achieve this include partial or total lockdown, restrictions on travel, leisure, work and religious gatherings (Warren, 2020). Italy with a death toll of more than a thousand deaths due to the virus has promulgated lockdown procedures to limit social contact which in turn will reduce the spread of the virus (Warren, 2020). The United States with more than 65,000 cases of Corona virus instituted its lockdown as a measure to confront the spread of the virus (Burgess & Levine, 2020). The lockdowns in various countries were enforced into the Easter season, a period of celebration for Christians all over the world.

COVID-19 pandemic has taken its toll in African Countries. Some of the countries affected by the Covid-19 pandemic in Africa so far are: South Africa, Ghana, Ivory
Coast, Senegal, among others. The disease was first noticed in Nigeria in February 2020 when an Italian citizen came in from Italy. There was panic and unrest when the individual was found to be sick. The index case was promptly isolated and medication given for mild symptoms of the disease (Ebenso & Otu 2020). By March 29, the index case had increased to 132 recorded cases with 1 death, and instances of governors and other political office holders testing positive for the virus (Toromade, 2020). Among the public holders who tested positive to the virus in Nigeria are the Chief of Staff to the President of the Federal Republic of Nigeria, Abba Kyari; Governor of Bauchi State, Bala Mohammed; Governor of Oyo State, Seyi Makinde among others. The Nigerian Centre of Disease Control (NCDC) commissioned numerous testing centres to test and diagnose the coronavirus. Despite the measures put in place to contain the spread of the virus, current figures indicate a significant increase in the infection rate. A total of 493 cases of the virus have been recorded with 159 having recovered and 17 deaths (Worldometer, 2020). Due to the increasing numbers of the virus, the Federal government instituted lockdown measures in Lagos, Abuja and Ogun states which have recorded increased numbers of the virus (Ityokura, 2020). So many other states in Nigeria took various measures such as border closures, social distancing, ban on social and religious gathering and other forms of restrictions to contain the virus.

2.3. Theoretical Framework

Diverse theories within the field of political science can be applied to this study. However, the linkage theory was adopted in this paper. The linkage theory explains that any sequence of behaviour or action, which occurs in one system, is responded to by another system (Rosenau, 1969 cited in Adelusi, n.d.). In tandem with this view, Crump (2009) opines that linkage theory seeks to explain the way one event seeks to determine the process or outcome of another. In the words of Feld (1968), linkage theory explains those sequences of behaviour originate in one system and is reacted to by another. In the diverse applications of this theory, either in negotiations, national-international events, etc. the term linkage theory connotes a reactionary chain of events in which an event in a system leads to a reactionary event in another system. The linkage theory is popularly applied in the fields of economics and international political economy to analyse the causal-effect relationships among States (Crump, 2005). The linkage theory was necessitated as a result of the quest by scholars to identify the contexts of occurrences in both the international and domestic arenas. Prior to the application of the linkage theory, scholars considered both
national and international politics separately and isolated them as if they had no impact on each other. But Rosenau sort to prove otherwise. In his work, Rosenau examined the impact external variables had on internal politics (Kitschelt & Wilkinson, 2007). In analysing the linkages between national and international politics, Rosenau (1969 cited in Mayer, Fry & Gilbert, 1982) explained that students of comparative politics took national and international systems as parameters separate and distinct from each other.

Linkage theory stands on certain assumptions. These include:

i. There exist linkages between domestic systems or politics and international system or politics. This assumption is central to linkage theory. Instead of the view of the bifurcation or separation of domestic politics from international politics, the linkage theory posits that events in one can cause reactions in another.

ii. Participants make compromises on certain objectives or goals (Rosenau, 1969, Keohane & Nye, 1977 cited in Lohmann, 1977). That is, by joining issues not necessarily related, actors are able to attain their goals or enhance their chances by granting concessions on issues of less importance for issues of more importance (Lohmann, 1997).

The linkage theory explains the pattern of relationship that exists between the international system and the domestic arena. It posits that there is linkage between the different levels in the international system. In essence, it is difficult to isolate one political and economic system from the other as events in one must affect activities in another.

Arising from the above, the linkage theory explains the connection between the COVID-19 global pandemic and socio-economic development in Nigeria. In line with the linkage theory, the dynamics of the pandemic as it rages on in the world, directly or indirectly influences socio-economic development in Nigeria.

3. Methods of the Study

This study adopts the qualitative research method and makes use of the case study research design to investigate the socio-economic implications of the COVID-19 pandemic on Nigeria. The research relies heavily on secondary sources of data such as books, book chapters, academic journals, newspapers and online sources. These data are analysed thematically according to the objective of the study.
4. The Social and Economic effects of the Coronavirus on Nigeria

The current COVID-19 pandemic has varying social and economic effects on the country. This section outlines these effects.

**Economic effects of the Coronavirus on Nigeria:** The adverse effects of COVID-19 pandemic on the Nigerian economy is enormous. The harsh effects of the pandemic left no sector untouched: aviation, banking, commerce, insurance, energy, transport, agriculture and education, etc. For instance, all tertiary, secondary and primary schools are under lock and key due to the virus epidemic. The Nigerian economy is already experiencing crisis. The International Monetary Fund has issued a statement to the effect that the Nigeria economy will contract by 3.4 percent in 2020 and 2.4 percent in 2021 (International Monetary Fund, 2020). Going by these statistics, it means that there is a serious looming economic recession for Nigeria.

The other economic fallouts of the COVID-19 pandemic in Nigeria are as follow:

1. **Increase in Unemployment:** Unemployment is a chronic and age long standing issue in Nigeria. In accordance with this perspective, Onyishi, Eme&Emeh (2012) assert that unemployment is an issue that has been invigorated over the years due to numerous events and occurrences. Despite this the current pandemic ravaging the world has increased and is still increasing the unemployment rate in the country. The pandemic which has led to a decrease in social contact has forced offices and manufacturing industries to halt activities. This has in turn led to a reduction in economic and commercial activities. Organisations unable to sustain themselves because of the halt in economic activities will be forced to lay off staff and workers. In the same vein, Otaru (2020) asserts that halted economic activities will force organisations into bankruptcy, which will invariably manifest in layoffs. So many workers have already lost their job due to the corona virus pandemic in Nigeria.

2. **Reduced Revenue:** Macroeconomic implications for Nigeria due to the Corona virus pandemic abound in numerous ways. One of such ways is the reduction of revenues for the Nigerian state. Crude oil is a significant source of revenue for the Nigerian state. According to Odularu (2008), crude oil is a major source of energy, foreign exchange and revenue for Nigeria. The ongoing global pandemic caused by the Corona virus has had adverse effects on the international oil market. The COVID-19 pandemic has created a situation of uncertainty. A direct implication of this is the reduction in international oil price by more than 20% in March 2020 (Albulescu, 2020). The decrease in oil prices is due to the reduction in demands as such countries including Nigeria were forced to sell at lower prices. While in January
a barrel of crude oil sold for $65, prices have reduced to $30 following the pandemic (Farmer, 2020). As the COVID-19 pandemic continues to spread with unpleasant attendant consequences, it is expected that the price of oil will plummet further even up to a single digit. With oil being the only major source of revenue for Nigeria, there is the tendency for the reduced oil prices to adversely affect and stifle the economy.

**Social effects of the Coronavirus on Nigeria:** There are numerous social implications of the COVID-19 for Nigeria. The COVID-19 pandemic forced state and federal governments to institute varying degrees of lockdowns. While the Federal government of Nigeria instituted lockdowns in Lagos, Ogun and Abuja due to the large numbers of cases reported in those areas, other states including Plateau, Yobe, etc have promulgated lockdowns (Campbell, 2020; Maina, 2020). In spite of the lockdowns and restrictions in movements, crime rates have sparked in recent times, with cases of armed robbery in the country. Lagos, Ogun and Yobe States among others witnessed incidents of armed robbery occasioned by vandalism and carting away of valuable items (Maina, 2020; Hanafi, 2020).

**Conclusion and Recommendations**

This study investigates the effects of the COVID-19 pandemic on Nigeria’s development. The study identified that the pandemic has resulted in an increase in unemployment, reduction in revenue for Nigeria and increase in crime rates. In line with these findings, the study makes the following recommendations:

1. There is a need for the Nigerian government to release palliatives to help businesses and organisations avoid bankruptcy. This will in turn lead to a reduction in the cases of unemployment and layoffs and also help to sustain businesses.

2. The macroeconomic effects of the pandemic on Nigeria’s development are indicative of the deficient structure of the economy. The Nigerian economy is monocultural, depending mainly on petroleum products. About 90 percent of foreign exchange earnings come from the oil sector. This means that the country’s economy is very fragile and highly dependent on the volatile global market situation. Therefore, there is dire need to diversify the economy by investing on agriculture and to venture into manufacturing industries for the country to fit into the contemporary international economic system.
3. There is a need to increase security presence to ensure the protection of lives and properties. Security agencies must respond to the needs of the people and ensure their security as well. In addition, the security agents mandated to enforce COVID-19 compliance measures should not take laws into their hands by either embarrassing or hurting innocent Nigerians. The army in particular, should exercise restraint even in the face of non-compliance or disobedience by individual who may be ignorant of the government measures to contain the spread of the contagious virus.

References


