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SOCIO-ECONOMIC EFFECTS OF COVID-19 PANDEMIC ON THE NIGERIA WORKING CLASS

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Abstract

The outbreak of COVID-19 in Wuhan, China in November 2019, and its subsequent spread to the rest of the world have affected the global community in deleterious ways. It has resulted in deaths and infirmity on the parts of those affected by the virus. Its lethality has engendered a global lockdown forcing people to stay in their homes in order to stem the rapid spread of the virus. This has correspondingly affected the economies and social life in affected countries. Indeed, Job losses, wage cuts, and outright closure of some businesses have been rampant. This paper, therefore, examines the social and economic effects of the COVID-19 pandemic on the Nigerian working class. The analysis is hinged on the social dislocation and normalization process theories. The paper argues that the post-pandemic future is bleak and uncertain for the working class, and indeed all Nigerians because of the foreseeable durability of the pandemic. The paper then recommends that the Nigerian government should provide leadership in implementing policies that will help to alleviate the suffering of the Nigerian working people. It suggests that such policies should include saving jobs and strengthening the Micro, Small, and Medium Enterprises (MSMEs) with credit facilities.

Keywords: COVID-19 pandemic, job losses, socio-economic effects and working-class,

Introduction

When in November, 2019, the Coronavirus, which came to be known as COVID-19, broke out in faraway Wuhan, the capital of Hubei Province in the People's Republic of China, and people started dying first in tens, and later in hundreds, fear gripped other countries of the world (Ani, 2020). On February 27, however, the Federal Ministry of Health in Nigeria confirmed the first case of Coronavirus in Lagos. And within the first four weeks after the index case in Nigeria, the figure had jumped up to over 40 cases, forcing the Federal Government of Nigeria to borrow a leaf from other countries where shutdown had recorded some level of success in the fight against spread of the pandemic (Ani, 2020).

Many people have lost their source of revenue, particularly the weak in society and those who depend on daily income to survive have been severely affected. The situation has led to a lot of people hanging around everywhere, begging for food just to survive (Ani, 2020). The social life of people has also been seriously dislocated leading to some level of social maladjustments that are beginning to have adverse effects on the psychological state of the individuals.

The shutdown is not a vaccine for the virus; it is just to limit the rate at which people mingle or interact without which the spread could have been worse than it is today, but in terms of economic cost, there are serious problems which are likely to continue in the foreseeable future. There are businesses that would never recover, there

are also others that will recover, but they will find it extremely difficult to do so (Ani, 2020). It could be said that the cost of shutting down may have saved more lives because many more could have died of the virus, but definitely Nigerians especially the 'ordinary Nigerians' will suffer gravely for this. The backbone of the Nigerian economy is the informal sector, and shutting them down like the Government did has come with negative economic consequences (Ugbodaga, 2020; Ani, 2020).

There have also been restrictions on social activities occasioned by World Health Organization's (WHO) guideline on social distancing. This guideline advises against occasions that encourage coming together of large numbers of people as in funeral ceremonies, wedding ceremonies, parties, religious activities and the like. This has no doubt dealt a deadly blow to communal mode of living. Even in workplaces, employees are required to religiously abide by the guideline on social distancing.

This paper therefore examines the social and economic effects of the COVID-19 pandemic on the working class people in Nigeria. The paper is divided into subtitles including the following; introduction, clarification of key concepts, theoretical framework, origin, transmission and spread of COVID-19, socio-economic effects of COVID-19 on the Nigeria working class, measures put in place to mitigate the effects of COVID-19, conclusion, and recommendations.

Clarification of Key Concepts

Coronavirus (COVID-19): Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus. Most people with the COVID-19 virus will experience mild to moderate respiratory illness accompanied by coughing, fever, shortness of breath, and pneumonia but will recover without requiring special treatment. Older people and those with underlying medical problems such as cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness (WHO, 2020). According to the European Centre for Disease Prevention and Control (ECDC) (2020), COVID-19 is a respiratory illness with a clinical spectrum of mild to moderate disease (80%), severe disease (15%), and critical illness (5%) with an overall case fatality rate of 0.5-2.8% with much higher rates (3.7 - 14.8%) in octogenarians. The severe and critical illness categories (about 20% of all infections) have overwhelmed health systems worldwide (ECDC, 2020).

The best way to prevent and slowdown transmission is to be well informed about the COVID-19 virus, the disease it causes and how it spreads. Everyday preventative actions include; hand hygiene, use of alcohol-based hand sanitizers, avoiding touching of nose, eyes, and mouth, use of tissue when coughing or sneezing, use of face masks, practice of physical distancing and so forth (WHO, 2020). The idea is to protect oneself and others from being infected.

The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes, so people are expected to practice respiratory etiquette (for instance, coughing into a flexed elbow). At this time, there are no specific vaccines or treatments for COVID-19. However, there are many ongoing clinical trials evaluating potential treatments. World Health Organization (WHO) will continue to provide updated information as soon as clinical findings become available (WHO, 2020).

Pandemic: A pandemic is a disease outbreak that spreads across countries or continents. It affects more people and takes more lives than in an epidemic. The World Health Organization (WHO) declared COVID-19 a pandemic when it became clear that the illness was severe and spreading quickly over a wide area (Robinson, 2020). [The

number of lives lost in a pandemic depends on; the number of people infected; severity of the illness caused by the virus; vulnerability of certain group of people; prevention efforts and how effective they are (Robinson, 2020).

Working Class: The working class (or labouring class) comprises of those engaged in waged or salaried labour, especially in manual-labour occupations and industrial work. Working class occupations include blue-collar jobs, and most pink-collar jobs. Members of the working class rely on their income, exclusively upon earnings from wage labour, thus, according to more inclusive definitions, the category can include almost all the working population of industrialized economies, as well as those employed in the urban areas (cities, towns, and villages) of non-industrialized economies or in the rural workforce (Rose, 2010; Turner, 2014).

As with many terms describing social class, working class is defined and used in many different ways. The most general definition used by Marxists and many Socialists, is that the working class includes all those who have nothing to sell but their labour power and skills. In that sense, it includes both white and blue-collar workers, manual and mental workers of all types, excluding only individuals who derive their income from business ownership and labour (Doob, 2013; Lebowitz, 2016).

Karl Marx defined the working class or the Proletariat as individuals who sell their labour power for wages and who do not own the means of production. He contended that they are responsible for creating the wealth of a society. He asserted that they working class physically build bridges, craft furniture, grow food, and nurse children, but do not own land, or factories (Lebowitz, 2016).

Theoretical Framework

The social dislocation theory propounded by Bruce Alexander in 2008 and the normalization process theory propounded by Carl May and her colleagues in 2009 together form the theoretical thrust of this paper. The two theories are able to provide deep insights into the social dislocations experienced by workers and of course other adjustments workers need to make in order to adapt to the numerous changes occurring in the workplace as a result of COVID-19 pandemic.

Social dislocation theory points to a buildup of anxiety in societies where social dislocation occurs and basic structures that once held people in a sense of value and purpose are disappearing. They refer to the destruction of jobs, support structures and shared community values as a significant part of the contemporary globalist policies that contribute to our broken societies (Bose, 2020). According to Alexander (2008) in his description of social dislocation, dislocation is the condition of great number of human beings who have been shorn from their cultures and individual identities by the globalization of the free-market society in which the needs of the people are subordinated to the imperatives of markets and the economy. Dislocation afflicts both people who have been physically displaced, such as economic immigrants and refugees, and people who have remained in place while their cultures disintegrated around them. Dislocation occurs during boom times as well as during recessions, among the rich as well as the poor, among capitalists as well as workers. Today, dislocation threatens to become universal, as global free-market society undermines even more aspects of social and cultural life everywhere (Alexander, 2008).

The social dislocation theory can also be used to explain the socio-economic situation of the Nigeria working class and indeed the generality of the ordinary Nigerians presently. As a result of the impact of COVID-19 pandemic, peoples' social life and means of livelihood have been adversely affected. Many businesses have

collapsed, while many others are struggling to survive, many people have lost their jobs thereby swelling the ranks of the army of unemployed people in Nigeria. The security situation continues to deteriorate every day because in this kind of situation, many people hardly consider the legitimacy of their actions as the struggle to survive.

The Normalization Process Theory (NPT) on the other hand presents a derivative sociological theory on the implementation, embedding and integration of new technologies and organizational innovations (May and Finch, 2009) which is suitable to explain the normalization of new technology-driven work practices as a result of pandemics. NPT identifies factors that promote and inhibit the routine incorporation of complex interventions into everyday practice (May et al, 2009; Murray et al; 2010) making it applicable to examine how new technology-driven work practices can be managed. NPT can explain how large –scale behavioural changes occur, focusing not only on implementation, but beyond this to the point where change becomes so embedded into routine practice that it ‘disappears’ from view (i.e. it is normalized) (Murray et al., 2010). Specifically, NPT is concerned with the social organization of the work (implementation), of making practices routine elements of everyday life (embedding), and of sustaining embedded practices in their social context (integration) (May et al, 2009).

NPT has clear applicability to pandemics to examine the normalization of new technology-driven work practices through the following theoretical constructs; (a) Coherence: This refers to the process of sense making that individuals and organizations undergo in order to promote or inhibit the routine embedding of a practice. For instance, this allows us to define and examine the implications of decisions on defining and (re)organizing a practice to accommodate technology-driven change to work practices during pandemics. (b) Cognitive Participation: This examines how stakeholders engage in the newly adopted practice. This allows us to identify the social and technical roles and responsibilities which are developed to sustain and participate in technology-driven change to work practices in response to pandemics. (c) Collective Action: This focuses on the work that individuals and teams have to do to change practice by enacting the new practice. This allows us to examine the specific practices, organizing factors, and tools used to enact and sustain new practices facilitated by teams working towards the same vision of technology-driven work practices. (d) Reflexive Monitoring: This describes the value realization inherent in the informal and formal appraisal of new technology-driven work practices and the reported process improvements. This can also provide new insights on the impact of pandemics on forging new organizing structures, social norms, group processes and conventions as a result of new technology-driven work practices (May and Finch, 2009).

Applying NPT to the changing nature of work in response to COVID-19, for instance, one key measure to prevent the is “social distancing”, that is keeping physical space between people outside their home environments. As a result, organizations have been forced into rapid ‘big bang’ introduction of technology and ‘tech-driven’ practices in an unprecedented and time pressured manner (Carroll and Conboy, 2020). The theory considers some of the key challenges around this urgent measure as a result of COVID-19 and how it dramatically altered work practices. This has placed new demands for technological innovations to facilitate technology-driven work practices such as remote working which has been examined through NPT, namely; coherence, cognitive participation, collective action, and reflexive monitoring (Carroll and Conboy, 2020).

Origin, Transmission, Spread of COVID -19 Around the World and Measures put in Place to Flatten the Curve of Infection

China's National Health Commission said that the source of COVID-19 remains unknown and that its transmission path has not been completely traced. The World Health Organization (WHO) was however on December 31st, 2019 alerted by Chinese authorities reporting several cases of pneumonia in Wuhan, a major active city in China. The novel Coronavirus is thought to have originated in a seafood market, where wildlife was also sold illegally (Omojowo, 2020). Scientists comparing the genetic sequences of the new coronavirus with those of other known Coronaviruses have suggested that it most likely originated in Snakes while some have confirmed its existence among bats (Omojowo, 2020).

According to Huang et al (2020), the first modern Covid-19 pandemic was reported in December, 2019, in Wuhan, Hubei Province, China and most initial cases were related to source infection from seafood wholesale market. Since then, the disease rapidly circled the globe and eventually affected every continent except Antarctica. It has been categorized as a pandemic by the World Health Organization (WHO, 2020). The COVID-19 is considered the most crucial global health calamity of the Century and the greatest challenge that the humankind faced since the Second World War. More than 200 hundred countries have reported confirmed COVID-19 cases but the United States of America remains the worst hit (Chakraborty and Maity, 2020).

As the COVID-19 spread around the world, the first case in the continent of Africa was recorded on the 14th of February, 2020 in Egypt while the first case in sub-Saharan Africa was reported in Nigeria on February 27, 2020. The slow spread of the virus in the continent gave false hope that Africa and its people would be spared the worst of the pandemic, but when it started to spread, the reality sunk in fast (Mawathe, 2020). The initial response to the COVID-19 pandemic in Africa was swift. Travel restrictions, total lockdowns and even curfews have been applied by different authorities. Another plus for Africa is that the vast majority of Africa's population lives in rural areas, which means less crowding and limited social interactions (Mawathe, 2020).

The index case of COVID-19 in Nigeria was an Italian citizen who works in Nigeria and had returned from Milan in Italy through the Murtala Mohammed International Airport. He fell ill and was transferred the Lagos State biosecurity facility for isolation (Ugbodaga, 2020). Since then the number of cases in Nigeria has been rising and the Nigeria Centre for Disease Control (NCDC) has been implementing numerous strategies and programs in the country to ensure that the adverse impact of the virus is minimized. Indeed, the Director-General of the NCDC, Dr Chikwe Ihekweazu was one of the 10 global health leaders invited by the World Health Organization to visit China and understudy their response approach.

According to WHO (2019), proven therapeutics for the treatment of COVID-19 are lacking. Nevertheless, a myriad of investigational regimens are being explored. In its efforts to help find an effective treatment for COVID-19, the WHO has recently launched an international clinical trial called the Solidarity Trial. The trial will compare four treatment options (remdesivir, lopinavir / ritonavir, interferon beta-la, and chloroquine / hydroxychloroquine) against the standard of care with the aim of rapidly determining whether any of the investigational therapeutics are effective against COVID-19 (WHO, 2019 cited in Balkhair, 2020)).

The WHO (2020) made it clear that the quest for vaccine against SARS-CoV-2 is an urgent priority, and its development and availability is a prerequisite for eradicating the

COVID-19 pandemic. Vigorous and internationally coordinated efforts, mainly through the Coalition for Epidemic Preparedness Innovations for vaccine development are currently in progress. However, an effective vaccine may not be available for the first wave of the pandemic (WHO, 2020 cited in Balkhair, 2020).

Pending availability of an effective vaccine, proactive containment strategies (travel restrictions, case finding, contact tracing, isolation of confirmed cases, and quarantine of exposed individuals) and measured mitigation/suppression interventions (lockdown measures, social distancing, school and educational institutions closures, and postponement or cancellation of large-scale public gatherings) are our only viable options to control this pandemic, and their relaxation must be thoughtfully calculated (Imperial College COVID-19 Response Team, 2020 cited in Balkhair, 2020).

According to Balkhair (2020), the current COVID-19 pandemic and its dreadful global impact is a reminder of the potential detriment of emerging infectious diseases. Fortunately, the world today is better equipped to battle this emerging health problem. COVID-19 is undoubtedly, a once-in-a-lifetime pandemic. Humanity is witnessing moments of extreme uncertainty and an unprecedented global health crisis. Although it is impossible to foresee where this pandemic is heading, certainly, a new chapter in the history of infectious diseases has just begun (Balkhair, 2020).

Socio-Economic Effects of the COVID-19 Pandemic on the Nigeria Working Class

If life is predictable it would cease to be life, and without flavor. The doubts, uncertainties, unpredictability, and the absence of assurances on the outcome of the future are the natural elements that spice life up for us as humans (Damilola, 2020). Like the rest of the world, social distancing is the order of the day in Nigeria as COVID-19 subsists. This has taken a toll on all of us, especially those used to outdoor engagements. The lockdowns and other restrictive measures put in place by the government came with numerous negative consequences for the Nigeria working class especially those that survive on daily earnings.

The COVID-19 pandemic just like in other climes has generated both positive and negative socio-economic consequences for the Nigerian working class people. On the positive side, the pandemic has offered families the opportunity to socialize since people are now forced to stay more at home. Wives who had hitherto lost their husbands to their jobs also have the opportunity to enjoy their marriages once more. Children who were left in the care of house-helpers and care-givers before now, have the opportunity to stay with their parents and enjoy their companionship (Ani, 2020). Another good side of the pandemic is that people are discovering new ways of living and also doing things. For instance, one does not have to live to go to night club every day. There are other ways of living and people are being forced to investigate those other ways, having discovered that they are grounded (Ani, 2020).

Moreover, today, companies and corporations are beginning to take their services online. Everyone is being encouraged to work online and from home. The consequence is that when the crisis is over, many companies and corporations will discover that they can work efficiently without some employees. They will discover that they can cut the wage bill by moving their services online (Adeyemi, 2020). It is high time everyone began to see beyond the global pandemic, beyond fear and frustrations of COVID-19, and continue to envision how this hard time will bring us everlasting fortune, lesson and benefits of which the crisis will be remembered for. However, benefits of COVID-19 will not come easy, it will require us to carefully analyze the

situation, be optimistic, be stronger and more proactive in order to exhume the opportunities buried therein (Adeyemi, 2020).

Furthermore, the outbreak of COVID-19 triggered rapid unprecedented investment in the health sector by the government, private sector and international donors. This has the potential of improving the infrastructure, equipment, technology and the operations of the health workers in the sector. Also, new skills will be acquired and existing ones developed by health workers as they adopt different strategies and modern medical techniques in the fight against the coronavirus (Adeoti and Gbadebo-Smith, 2020). The benefits of these will include improvement in health-care delivery system, improvement in the management of both communicable and non-communicable diseases, better health-care systems, promotion of the image of the health sector, and restoring the confidence of the public on the health-care delivery system (Adeoti and Gbadebo-Smith, 2020).

In addition, COVID-19 has seen the emergence of some subsidiary manufacturing activities in the manufacturing sector to meet the needs of the moment. Production of items such as hand sanitizers, face masks and hand gloves has increased. In the face of the lockdowns, it is expected that domestic logistics and haulage industry will thrive. There is increase in demand due to the need to stock-up stores and supermarkets with regular supplies of consumer products (Adeoti and Gbadebo-Smith, 2020). A surge is expected in domestic telephone orders and online purchases of consumer goods to cope with the domestic impacts of the pandemic, largely driven by groceries and food products purchases. These include fast-moving consumer goods (FMCGs), pharmaceuticals as well as agro-products. This ultimately makes the need for logistics and haulage services even more pressing in this regard (Adeoti and Gbadebo-Smith, 2020).

The pandemic has brought a new order in terms of work-from-home, massive online learning and teaching, as well as social distancing. This new order will rely heavily on the Information and Communication Technology (ICT) and telecommunications sector for operations. Hence the sector is not only expected to benefit from the pandemic, but also thrive generally. It is argued that the ICT and telecommunications sector is among the few sectors on which the country will rely to drive the economy out of the current recession (Ani, 2020; Adeoti and Gbadebo-Smith, 2020). The working class will obviously benefit from this in terms of retaining their jobs and of course growing the businesses where they work.

On the negative side, it has been observed that one of the immediate impact of COVID-19 is the drop in volumes of sales of crude oil as well as reduced pricing in the international market resulting in lowly foreign exchange earnings. The COVID-19 crisis has worsened the vulnerability of all working people and the least protected in the society (The Alliance for Surviving COVID-19 and Beyond (ASCAB), 2020). The pandemic is highlighting deep economic and social inequalities and inadequate health and social protection systems that require urgent attention as part of the public health response. The impact of lock-downs on jobs, livelihoods, access to services, including health care, food, water, education and social services, safety at home, adequate standards of living and family life has been very severe (ASCAB, 2020).

Wage and salary employees account for about 15 percent of total employment in Africa generally and public sector employment accounts for more than one-third of all employment. About half of private sector wage employment is casual or temporary work, not backed by formal contracts. These casual workers are almost certain to lose most or all income as firms cut back while facing the pandemic. While firing

hired public and private workers is expensive in the region, private firms without revenue will do it anyway, but they may first incur wage arrears and/or try to make only partial wage payments (Fox and Signe, 2020).

Prior to COVID-19, the private sector in Africa was already having difficulty accessing markets due to infrastructure limitations, corruption, and the high cost of doing business—hindering new job creation more broadly. Now, the virus has further disrupted markets through measures like travel bans, social distancing, and restricted economic activities, leading to a drastic decline in demand for goods and services, especially in sectors such as hospitality, tourism, transportation, and manufacturing for local markets (e.g., food and beverage) (Fox and Signe, 2020). Consumer goods and retail—especially businesses that depend on imported products from affected countries—have also been hit hard by supply disruptions. Even as lockdown measures are relaxed, pay cuts and job losses have left households with far less disposable income to spend in these sectors (Fox and Signe, 2020).

In Nigeria, workers both in the private and public sectors are facing a very difficult time as a result of the COVID-19 pandemic. Many state governments across the country are already finding it difficult to pay salaries of workers as a result of dwindling allocation from the federation account owing to the drop in oil prices. In the private sector, the situation is even more complex because a lot of jobs have already been lost with the aviation and hospitality industries the worst hit. As a direct consequence of the economic effect of the pandemic on businesses and the ability of employers to maintain compensation at pre-COVID levels, and in some cases the inability of certain employees to work optimally from home, issues such as pay cuts, freezing of promotion and other incentives are hot topics being discussed at the moment between employers and employees.

Many frontline health workers have also lost their lives in the line of duty. According to the National Association of Resident Doctors of Nigeria, many doctors have so far died of COVID-19. When a member of the association dies, other members contribute money to help support their family (Adepoju, 2020). But the association wants to see the provision of life insurance for health workers in Nigeria, especially those putting their lives at risk on the frontline of the pandemic, as several African countries had already done. In April, the Nigerian government promised it would provide life insurance for its health workers. But nearly four months later, this has not materialized (Adepoju, 2020). This is exactly the same situation with other health workers which has instigated a number of strikes by the different categories of health workers led by their unions.

The brain functions optimally with the motivation that is derived from the external energy (friends, family, neighbours, acquaintances, and others) and energy from direct and indirect activities of others around us (Damilola, 2020). Long-time social distancing, isolation and loneliness force the brain into idleness, making the mind less occupied and less motivated to take on productive activities. Lack of social contact can also be a driver for depression among many people including the working class people who are experiencing isolation for the first time. Loneliness can wreak havoc to an individual's mental and physical health. Having someone to share a quick thought with or seeking advice on professional or business matters is a good advantage the physical workplace has over the remote work policy (Damilola, 2020).

The Coronavirus Disease (COVID-19) continues to significantly impact people's health, businesses and the global economy. From country shutdowns, disruption of supply chains, crash in stocks, drop in commodity prices, loss of daily income, the

negative economic effects are numerous. The impact of the virus has both national and global implications. Globally it has caused turmoil in the financial markets as fears of the pandemic wiped out over \$8 trillion. It has also caused reduction in global oil consumption as economic activities slowed down, resulting in falling oil prices. Disruption of global supply chains, the aviation industry, manufacturing, trade volume etc. Many corporations are increasingly revising their earnings forecasts downwards (Iroegbu-Chikezie, 2020).

In Nigeria, the COVID-19 pandemic has weakened oil prices, leading to the downward review of the 2020 budget. It also caused disruptions in business and economic activities as companies and businesses shutdown, following lockdowns and mobility restrictions (Iroegbu-Chikezie, 2020). According to the Lagos Chamber of Commerce and Industry (LCCI) President, Mrs. Toki Mabogunje, the worst hit sectors include; aviation, hospitality, Small and Medium Enterprises (SMEs), and manufacturing. She also lamented the worsening fiscal and external positions of the country in the light of lower receipts from oil exports, depreciation of the naira exchange across various market windows and an adverse impact on Nigeria's trade because her major trading partners in Asia and Europe are grappling with the challenge of lockdowns (Iroegbu-Chikezie, 2020). All these have negative consequences for the Nigeria working class.

Measures Put in Place to Mitigate the Effects of COVID-19 on the Nigerian Working Class

In Nigeria, various measures – championed by the Central Bank of Nigeria (“CBN”), the National Assembly, the Organized Private Sector under the aegis of the Nigerian Private Sector Coalition Against COVID-19 (“Private Sector Coalition”) and other key market players – have been put in place, while others are currently being developed, to cushion the negative impact of the Coronavirus on businesses, households and the larger economy. These measures include special intervention funds, credit support facilities, regulatory forbearance, and tax reliefs (Bella and Oguntuase, 2020).

On March 16, 2020, in the wake of the plunge in international oil prices and the COVID-19 outbreak, according to Bella and Oguntuase(2020), the CBN, in a move to preserve the stability of the Nigerian financial market, introduced some policy measures via a circular, referenced: FPR/DIR/GEN/CIR/07/049 and titled “CBN Policy Measures in response to COVID-19 Outbreak and Spillovers”, which provides for the following:

(a) *Extension of moratorium for all CBN intervention facilities* – With effect from March 1, 2020, all CBN intervention facilities have been granted additional one year on all principal repayments. In this regard, the participating financial institutions are required to provide new amortization schedules for the beneficiaries of the various loans. Reduction in the applicable interest rates on all CBN intervention facilities – Interest rates on all applicable CBN intervention facilities have been reduced from 9% to 5% per annum, with effect from March 1, 2020.

(b). *Creation of a N50 Billion Targeted Credit Facility* – A Fifty-Billion-Naira (N50) facility has been created to provide support for targeted sectors of the economy, particularly households and the micro, small and medium-sized enterprises (“MSMEs”), that are particularly affected by the COVID-19 outbreak. The credit facility, which is established through the NIRSAL Microfinance Bank, is also open to other vulnerable entrepreneurs including hoteliers, airline service providers and healthcare merchants.

(c) *Credit Support for the Healthcare Industry* – Given the serious pressure brought on the healthcare industry by COVID-19 outbreak, a special One-Hundred-Billion-Naira (N100) intervention facility has been established, open to pharmaceutical companies, hospitals and healthcare practitioners intending to expand/open their drug manufacturing plants in Nigeria or expand/build their health facilities to first class centers, as the case may be.

(d) *Regulatory forbearance* – Deposit Money Banks (“DMBs”) have been given leave to extend the tenors of credits granted to businesses and households affected by the Coronavirus outbreak. In this regard, temporary and time-limited restructuring of loan terms are to be considered for all credits granted to businesses, particularly in the oil and gas, agriculture, and manufacturing sectors.

(e) *Strengthening of the CBN Loan/Deposit Ratio (LDR)* – In order to sustain the successful implementation of the existing LDR Policy, in the light of the negative consequences of the COVID-19 on the financial system, the CBN is considering further support for the industry funding levels (by providing liquidity backstops as the lender of last resort) in order to maintain the capacity of DMBs to continue to extend low-interest and longer-tenured credits to households and businesses (Bella and Oguntuase, 2020).

Further to the establishment of the aforementioned policy measures, the CBN issued two governing documents (“Implementation Guidelines”), prescribing the operational modalities for the N50 Billion Targeted Credit Facility and the N100 Billion Healthcare Credit Support Scheme. On March 23, 2020, the first governing document titled: “Guidelines for the Implementation of the N50 Billion Targeted Credit Facility”, was introduced by the CBN via a circular referenced: FPRD/DIR/GEN/CIR/07/050. Also, on March 25, 2020, the second governing document titled: “Guidelines for the Operations of the N100 Billion Credit Support for the Healthcare Sector”, was similarly introduced via another circular referenced: FPR/DIR/GEN/CIR/07/051 (Bella and Oguntuase, 2020).

Eligible participants include; households and enterprises with verifiable evidence of the adverse impact of the COVID-19 pandemic, and enterprises with a bankable plan to benefit from the intervention fund. Manufacturers of pharmaceutical drugs and medical equipment; Hospitals/clinics; Diagnostic centers/laboratories; Fitness and wellness centers; Rehabilitation centers; Dialysis centers; Blood banks and the like; Enterprises involved in pharmaceutical and medical products’ distribution and logistics services; and other enterprises in the healthcare sector as may be determined by the CBN, from time to time (Bella and Oguntuase, 2020).

Activities covered include; agricultural value chain activities, Hospitality (accommodation and food services), Health (pharmaceuticals and medical supplies), Airline Services, Manufacturing or Value addition, Trading, and any other income generating activities prescribed by the CBN. Manufacturing of pharmaceutical drugs and medical equipment; Distribution of medical and pharmaceutical drugs and supplies; Establishment/expansion/upgrade of basic and specialized healthcare facilities; Medical and pharmaceutical supplies; Manufacturing of distribution technology for medical and pharmaceutical drugs; Medical and pharmaceutical Research and Development (RandD); and any other healthcare value chain activity prescribed by the CBN (Samuel, 2020; Bella and Oguntuase, 2020).

The source of funding shall be the Micro, Small and Medium Enterprises Development Fund (MSMEDF). The source of funding for the Scheme shall be the Real Sector Support Facility – Differentiated Cash Reserves Requirement (RSSFCR)

Participating Financial Institutions include; NIRSAL Microfinance Bank (“NMFB”); Deposit Money Banks (“DMBs”), and Development Finance Institutions (“DFIs”) (Bella and Oguntuase, 2020). Loan Limit and Tenor include; Maximum of N25 Million for MSME and Maximum of N3 Million for Households. Working Capital – 20% of the average of 3 years of an enterprise’s turn-over, subject to a maximum of N500 Million per obligor (20% of the previous year’s turn-over for an enterprise that is less than 3 years in operation). The tenor of Working Capital shall be maximum of 1 year with provision for rollover for a period not more than 3 years; and Term Loan – Maximum of N2 Billion per obligor. The tenor of Term Loan shall be maximum of 10 years with a maximum of 1-year moratorium on repayment (In case of construction, the tenor shall be determined by the completion date). Interest Rate is 5% per annum (all inclusive) up to 28th February 2021; and 9% per annum (all inclusive) as from 1st March 2021. 5% per annum (all inclusive) up to 28th February 2021; and 9% per annum (all inclusive) as from 1st March 2021 (Samuel, 2020; Bella and Oguntuase, 2020)

Collateral requirement -Movable assets duly registered with the National Collateral Registry, Deposit of title documents (in perfectible state), Deed of Debenture for Stocks (in perfectible state), Irrevocable domiciliation of proceeds, Two acceptable guarantors, Personal guarantee, and Insurance Policy (Life and Comprehensive Insurance) with NMFB as the First Loss Payee. The collateral to be pledged by borrowers under the Scheme shall be as may be required under the RSSF-DCRR. Repayment modalities is on instalment basis according to the nature of the particular enterprise, and as contained in the repayment schedule or work plan provided at the application stage and on installment basis according to the approved repayment schedule (Samuel, 2020; Bella and Oguntuase, 2020).

In a similar move to the regulatory actions of the CBN, the House of Representatives of the Federal Republic of Nigeria (the “Federal House”), has proposed a bill tagged “Emergency Economic Stimulus Bill 2020” (“the Bill”), for legislative debate and possible passage into an Act of the National Assembly. The Bill, which is expected to apply and have effect throughout the country if passed into law, generally seeks to provide for reliefs on Corporate Tax Liability, Import Duty on Selected Goods and Mortgage Obligations to the Federal Mortgage Banks; as a legislative response to the economic downturn occasioned by the COVID-19 outbreak in Nigeria (Bella and Oguntuase, 2020).

The provisions of the Bill are drafted to give effect to its broad aims and objectives, which include: (a) Provision of temporary relief to companies and individuals to alleviate the adverse financial consequences of a slowdown in economic activities; (b) Protection of the employment status of Nigerians, who might otherwise become unemployed as a consequence of management decision to retrench personnel in response to the prevailing economic realities; (c) Provision for a moratorium on mortgage obligations for individuals, at a time of widespread economic uncertainty; (d) Elimination of additional fiscal bottleneck on the importation of medical equipment, medicines, personal protection equipment, and other such medical necessities; as may be required for the treatment and management of the coronavirus disease in Nigeria; and (e) Catering to the general financial wellbeing of Nigerians, pending the eradication of the coronavirus pandemic and a return to economic stability (Bella and Oguntuase, 2020).

The Private Sector Coalition was formed, following series of CBN’s engagements with key private sector players and stakeholders. It was created out of the urgent need to provide support to the Federal Government in combating the COVID-19

pandemic, particularly the required funding for the procurement of necessary medical equipment, materials and infrastructure. The Coalition aims to combat the Coronavirus through achieving the following objectives: (a) Mobilize private sector thought leadership; (b) Mobilize private sector resources; (c) Increase general public awareness, education and buy-in; (d) Provide direct support to private and public healthcare's ability to respond to the crisis; (e) Support Government effort. The Coalition is structured to work with reputable institutions and consultants, through its four (4) major committees (Bella and Oguntuase, 2020).

The CBN Policy Measures are appropriate responses to the negative economic impact of the COVID-19 outbreak. By covering the worst hit and most vulnerable sectors, the measures are expected to effectively cushion the adverse effects of the pandemic on households, MSMEs and large corporates alike. If credit to households and businesses is stimulated and sustained at this time with fiscal relief and regulatory forbearance granted to individuals and corporates, the challenges posed to business entities and disruptions to commercial transactions in the wake of the Coronavirus pandemic, will be substantially mitigated (Bella and Oguntuase, 2020).

The targeted nature of the various intervention funds enhances project-tied or sector-specific financing. This way, development of critical sectors of the economy with the most impact on households and businesses, such as agriculture, manufacturing, and trading can be accelerated. Similarly, the provision of long-term, low-cost finance for the development of a world-class aviation and healthcare infrastructure in the country will significantly reduce capital flight and conserve foreign exchange. This will enhance the capacity of the economy to absorb the shocks from a global pandemic like the COVID-19 (Bella and Oguntuase, 2020).

The efforts of the Private Sector Coalition will provide the needed private sector support for the successful implementation of the various CBN intervention policies. However, restricting its membership to only persons who can contribute a minimum of N1 Billion, has the potential to exclude interested members of the society, who may not have the capacity to donate up to the prescribed minimum amount. Reducing the minimum membership contribution, will likely reduce the time to raise the target fund, as well as ensure a more diverse organization in terms of skills (Bella and Oguntuase, 2020).

Finally, whilst the proposed Emergency Economic Stimulus Bill is a right step in a right direction, as it appears to provide legislative backing for some of the policy measures already introduced by the CBN, considering the realities of the COVID-19 pandemic and the need to take drastic and urgent measures; the Bill ought to have been passed into law by now. On the contrary, it is not clear whether the Federal House has actually passed the Bill, and if yes, when it will be transmitted to the Senate for the required legislative concurrence. In any event, the policy and regulatory measures being undertaken to mitigate the pains of the Coronavirus outbreak in Nigeria are expected to yield positive results for households and businesses and promote stability in the economy (Bella and Oguntuase, 2020).

Conclusion and Recommendations

The COVID-19, has exposed our vulnerabilities as a people and with the distortions in world demand and supply as a result of lockdowns and restrictions coupled with lower demand for crude oil, Nigeria has been experiencing revenue crisis. Our inability to genuinely diversify our economy so as to have multiple sources of revenue has not helped our cause. Unemployment figures have gone over the roof as a result of the

losses as a result of the pandemic and it is feared that by the third-quarter of 2020, the Nigerian economy would go into recession for the second time in five years. There are also projections that inflations could rise to 14% plus by December, 2020. Even with all the policies that have been put in place by the Central Bank of Nigeria (CBN) to mitigate the negative effects of COVID-19, it has not been able to save the Naira or resolve liquidity problems.

The government has been telling anybody that cares to listen what it can do for the people in terms of providing palliatives, stimulus packages, economic sustainability programmes, and intervention funds, but official policies have been at best ambivalent. The recent removal of fuel subsidy and increase in electricity tariffs in the midst of COVID-19 have further eroded the average Nigerian's purchasing power including the working class people. As a result of this questions have been raised about the quality of leadership and policy choices. It therefore behooves the government to retrace its steps and to embrace policies that have the capacity to alleviate the sufferings of the Nigerian masses including the working class people.

The following recommendations have been made as the way to go in ameliorating the negative socio-economic effects of the COVID-19 pandemic on the Nigeria working class; (a) Government needs to take the issue of diversifying the Nigeria economy more seriously so as to reduce the reliance on crude oil and also create more jobs for Nigerians. (b) Government needs to be more serious about providing stimulus packages and economic sustainability programmes that would help businesses to pick again. (c) Efforts should be made to ensure that employers both in the public and private sectors as much as possible retain the bulk of their workforce. (d) Government should also reduce the pump price of premium motor spirit and electricity tariff so as to lighten the burden of these increases on the Nigeria working class. (e) Government should encourage researches that will help to develop vaccine for COVID-19 as the development of the vaccine will help to restore social life.

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