

## AN ASSESSMENT OF GOVERNMENT INTERVENTIONS DURING COVID-19 LOCKDOWN IN NIGERIA

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### **Abstract**

This paper reviewed the various intervention programmes of the Nigerian government aimed at mitigating the effects of the lockdown of the nation occasioned by coronavirus (COVID-19) pandemic. The Federal Government at the onset imposed targeted lockdown on Lagos, Ogun and the Federal Capital Territory (FCT) Abuja. Also, most states of the country were lockdown. To alleviate the suffering of the people, the Federal Government of Nigeria rolled out some forms of support known as palliatives for targeted group mainly the poorest poor and the vulnerables. The paper draws on a desk-based review of secondary relevant literature on the different intervention programmes of the government in this regards in Nigeria. The article finds out that complaints and lamentations have trailed the distribution of these palliatives which, ordinarily, were not meant to lift the citizens out of poverty. Nigerians alleged that, the distribution procedures were politicized. The paper recommended that to avoid such tardiness and awkwardness in such exercise in the future, the need for strong institutions and clear-cut framework cannot be overemphasized.

**Key words:** COVID-19 pandemic, lockdown, palliatives, vulnerables, poverty

### **Introduction:**

Coronavirus is a novel pandemic known as COVID-19. It originated from Wuham in the Hubei region of China. This disease is infectious caused by a new strain of coronavirus linked to the same family of viruses such as Middle East Respiratory Syndrome (MERS) and Severe Acute Syndrome (SARS). The common symptoms of COVID-19 include fever, cough and shortness of breath. Also, it could manifest in pneumonia or breathing difficulties. In rare cases it can lead to death (UNICEF, 2020). COVID-19 is now a pandemic affecting all countries of the world. People can contract it from others who have the virus. It spreads from person to person through small droplets from the nose or mouth, which are expelled when a person with COVID-19 coughs, sneezes or speak. The droplets are relatively strong but do not travel far and quickly sunk on the ground. In addition, people can catch COVID-19 if they breathe in the droplets from a person infected with the virus. It can as well be contracted if one touches objects and surfaces where the droplets dropped and then touching ones eyes, nose or mouth (UNICEF, 2020).

In view of the pandemic nature of COVID-19 and the reality of the fact that science is yet to discover a particular vaccine for its cure, makes the global community to locked down its activities. Most nations of the world closed their borders; air, land and water, to halt the spread of the pandemic threatening the whole universe. Like in other parts of the world, all sectors of the economy in Nigeria have fallen into serious predicament. From the micro, small and medium enterprises to the big firms and multinational

corporations the story is the same. Ranging from the Aviation, Manufacturing, Banking, Hospitality and Oil & Gas, the situation is not different (Adewakun, 2020). In view of the concomitant effects of the total lockdown of the whole world, the World Health Organization (WHO) through its Director General advised that nations, while introducing measures meant to contain further spread of the virus, should as well provide citizens with palliatives and stimulus. This, according to him, is to ensure the security of lives of the people post-COVID (WHO-Director General, 2020). The message is that government and leadership of the various nation of the world should not be oblivious of what become of the lots of their people after the COVID-19 pandemic scourge. Thus, Nigerian government like other nations of the world rolled out some measures to ease the pains and hardship occasioned by the lockdown. The aim is basically to give the people a new lease of life as well as sustaining business enterprises which invariably would guarantee the stability of the nation's economy.

### **COVID-19 in Nigeria and Government Interventions**

In Nigeria, the virus, COVID-19 berthed in February 2020 through an Italian index case. Since then the figure has kept on increasing. As at 15<sup>th</sup> of September, 2020 it has affected 56,478 people, killed 1,088 people while 44,430 people have recovered from the virus (Channels Television, 2020).

Meanwhile, in a bid to curb the spread of the virus, the Federal Government of Nigeria imposed lockdown on Lagos, Ogun and FCT Abuja for two weeks, the then three leading locations with rapid increase of COVID-19 cases. However, some other state governments followed suit and the whole country was lockdown in the interest of the citizens. The borders were closed and inter-state movements prohibited. Curfew was imposed likewise all markets and non-essential movements prohibited. Only those on essential services were allowed to move around but their movement was regulated. In other words, the lockdown did not apply to those providing essential services, such as food distributions and retailers, including market stalls selling food and groceries, which the government said can operate for four hours every 48 hours.

The lockdown however affects almost everybody in the country as it prevents most Nigerians from attending to their businesses. Mostly hit are those in the informal sector of the economy who as noted by Morka (2020) are devastatingly hit by the lockdown. According to him any disruption to the daily livelihood of this set of people has a huge and significant impact on their ability to meet their most basic needs. This couldn't have been far from the truth. The lockdown debars many of them from travelling to work or conducting their businesses. Meanwhile, the informal sector engages more than 80% of Nigerian citizens. They include a wide and varied range of occupations, from street traders, taxi drivers, tradesmen and artisans to food vendors and hairdressers. In Lagos alone, 65% of the estimated 25 million residents work in the informal sector. These are people with lower incomes, no savings, no health insurance and no pension that provide a basic social safety net, 75% of them are poor (Egbesola, 2020).

The country at large is at the risk of dire and damning consequences. The socio-economic impacts of the pandemic are frightening as they are not unlikely to exacerbate the current societal vulnerabilities. Poverty is certain to increase with more

people being moved below the poverty line. This to a large extent will increase the gap between the haves and the have nots, intensifying the existing social and economic divisions. There are already an increase in social ills, unrest, rape and theft. This is due, partly, to linger occasioned by loss of jobs, and an increase in the general animosity and resentment that is triggered by socio-economic divides. This situation could persist beyond the pandemic.

The World Health Organization (2020) strongly advised that any government imposing lockdown restrictions should provide palliatives for their citizens to enable them to comply to the safety directives by the government. The WHO's Director-General asked at a press briefing in Geneva, April 9, 2020. "How do you survive on lockdown when you depend on your daily labour to eat?" He counseled that countries with large poor populations, particularly in Africa, Asia and Latin America that the stay-at-home order used in some high income countries may not be practicable. However, a former governor of Anambra State in Nigeria, said that whilst all possible measures should be developed to stop the spread of COVID-19, appropriate measure should be taken to mitigate the suffering of the vulnerable in the country. Therefore, the Federal Government of Nigeria rolled out some measures as palliatives to cushion the effect of the lockdown on the citizens. These are; The Economic Stimulus Bill 2020 and the Central Bank of Nigeria Stimulus Package. Others are cash transfers and food assistance from corporate bodies and well to do individuals.

The Economic Stimulus Bill 2020 was passed by the House of Representatives on the March 20, to provide support to business and individual citizen of Nigeria. The aim of the proposed law is to provide 50% tax rebates to businesses registered under the Companies and Allied Matter Act. This is to allow them to use the savings to sustain the employees (Nsofor, 2020). The lacuna in this bill is that it neglects the informal sector which provides 65 percent of Nigeria GDP and also employing more than 90 percent of the workforce. Meanwhile, these workers also need to survive. It is obvious that many of the businesses in the informal sector are not registered. Therefore it will be difficult for them to benefit in this bill. However, government can help through grants or interest-free loans which match their types of businesses.

Additionally, there is the ₦50 billion Central Bank of Nigeria Stimulus Package. It offers a credit facility of up to ₦3 million to poor families impacted by COVID-19. The loan is with interest elements and requires collateral but could be made available free of collateral to poor households or guaranteed by a community leader or prominent personality (Olisha, 2020). Also, the credit facility is meant to support micro, small and medium enterprises affected by the COVID-19 pandemics. The snag here is that not many poor households and businesses in the informal sector is aware of the available economically relief packages and policies of the government.

The government announced on April 1, 2020, that it will make transfer of ₦20,000 to the poor and the vulnerable households registered in the National Social Register (NSR). The NSR as at then contained 2.6 million households (about 11 million people) with the hope to increase the households to 3.6 million during the COVID-19 crisis. The challenge with this measure is disturbing. Nigeria has no robust national information management system. This definitely made the acclaimed electronic

payments doubtful as many people, obviously poor and vulnerable, in the NSR did not receive the money. Even at that 87 million Nigerians live on less than \$1.90 a day. This has led to many people on the NSR not receiving the money promised by the government. A better alternative should have been worked out to ease the hardship bestowed on these people. It could be physically localized and payment made by hand and cash.

Also, the Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development announced that it would provide food rations to vulnerable households in Lagos, FCT Abuja and Ogun States. These are the states the President had imposed lockdown effectively in April, 2020. The lockdown was extended and this made the citizens to suffer untowards hardship. The distribution of the food support system was characterized by corruption lack of transparency and accountability and a working data base of the citizen. Most residents of these location complained bitterly of neglect by the government as they did not receive any food ration. Government should in the future be conscious of the possibility by middlemen and those who would have politicized the exercise. Therefore, government could use the system of house enumeration used during the population census or that of polio campaign. Through this, marked houses are visited directly during food distribution. It could as well be done on ward basis as the people know themselves at ward level.

Additionally, the federal government introduced three months interest holidays for those holding Tradermoni, Marketmoni and Farmermoni loans. These were loans earlier issued by the Bank of Industry, Bank of Agriculture and the Nigeria Export and Import Bank before the emergence of COVID-19 pandemic. Specifically, these facilities came into being during the campaign for the 2019 general elections in Nigeria.

Tradermoni is specifically created by the Federal Government for petty traders and artisan throughout the country. It is under the purview of the nation's Bank of Industry and part of the Government Enterprise and Empowerment Programme (GEEP). Under the scheme an individual can receive interest free loans from ₦10,000 and growing all the way to ₦100,000 depending on how the beneficiary is able to return the initial loan. After the payment of the initial ₦10,000, the beneficiary is qualified to collect ₦15,000 repayment of which qualifies the beneficiaries to collect ₦20,000 loan followed by ₦50,000 and ₦100,000 in that order. (Anudu, 2020). Marketmoni is also under the Government Enterprise and Empowerment Programme (GEEP) is an interest free loan to market women and traders, artisans, youth and farmers. Also, under the Bank of Industry, beneficiaries receive loans ranges from ₦10,000 to ₦100,000 for as long as six months. It is interest free except a one – off 5% administrative fee. As at the last count over 24,000 people have benefitted from the scheme (Anudu, 2020).

Farmermoni is the third type of loans under the GEEP. It was created to help in boosting the country's economy through leverage and access to finance for interested farmers. Farmermoni loans are repayable over a period of six months. Beneficiaries can get access to a facility ranging from ₦300,000 to ₦2,000,000 when and if they repay within the stipulated period. (Anudu, 2020).

These measures from the Federal Government were specifically meant for the poor and the vulnerable. However, there were complaints and lamentations as many who were supposed to benefit from these palliatives did not. According to a national newspaper, *The Nation*, observed that ‘... But a visit to most of the densely populated areas in Lagos where the downtrodden reside(s) reveals that majority are yet to benefit from either the Federal Government’s cash payment or one being touted by the state government’ (Okon, 2020). In the same vein *Business Day* reported that “It is lamentation and bitter wailing in Lagos and parts of the country as Nigerians complain that the stimulus packages announced by the Federal and Lagos state governments to cushion the effects of the lockdown imposed on some states and the Federal Capital Territory (FCT) Abuja to contain the further spread of the coronavirus (COVID–19) pandemic have not been sincerely deployed.

The daily newspaper goes further that the citizens alleged that the process of distribution of whatever that may have been made available for that purpose had been mixed with politics. This to a large extent has made nonsense of the whole exercise.

The outcry against the Federal Government so called palliatives was so loud that a Non–Government Organization (NGO) Socio–Economic Rights and Accountability Project (SERAP) instituted a suit. The suit requested a declaration that any perception that the reliefs, funds and donations are not reaching intended beneficiaries would undermine public trust and integrity of the entire processes and modes of distribution of reliefs / benefits to the Nigerians. The organization asked the federal government to identify and name Nigerians who have so far benefitted from any cash payments, cash transfers, food distribution and other reliefs and palliatives during the lockdown (Oyeleke, 2020).

Thus, Socio–Economic Rights and Accountability Project (SERAP) was concerned that millions of the country’s poorest and most vulnerable people have not benefitted from the announced palliatives, donations, reported cash payments, cash transfers and other benefits. Therefore, it requested that government should disclose key details of the beneficiaries.

Additionally, the CBN announced ₦50 billion credit facility to support households and micro, small and medium enterprises affected by the COVID–19 pandemic has its lacuna. It requires proof of collateral such as personal property, which many poor families are unlikely to have. The initial five percent and nine percent after March 2021 feature of the facility is already an hindrance as only forty million Nigerians which is twenty-five percent of the population, have bank account. One then begins to wonder how this particular facility will be enjoyed by the majority most especially those in the informal sector who constitute the vast majority of the people. The requirements for accessing the facility according to the CBN guidelines could only be fully met by the medium and large enterprises, as opposed to the micro and small businesses (Kolawole, 2020). In other words, only a negligible number of micro and small businesses could meet these stringent measures, if at all. These requirements include; six–month statement of account, a document containing assets to be used as collateral, a business plan, two guarantors and a three–year audited report, amongst others. Meanwhile, the

micro and small businesses form the core of the Nigerian economy. Their neglect would not augur well for the nation's economy (Egbesola, 2020).

Also, on the 18<sup>th</sup> of September 2020, the Federal Government of Nigeria announced a ₦75 billion Survival Fund for Micro, Small and Medium Enterprises (MSMEs) (Olisah, 2020). According to the Minister of State for Industry, Trade and Investment, the programme is aimed at tackling the economic challenges faced by small business as a result of the outbreak of coronavirus. The programme according to the Minister, would run for an initial duration of three months and would be opened for 1.7million entities and individuals across the country. It has provisions for 45 percent female-owned businesses and five percent for those with special needs. The requirements for accessing the facility are: (a) employees' company must be registered in Nigeria under the Corporate Affairs Commission (CAC), (b) must have Bank Verification Number (BVN) by the company CEO, (c) must have a staff strength of no less than three persons, and (d) must be owned by a Nigerian. Also, self employed individuals in the following categories; (i) service providers in the transportation sector, that is, Bus drivers, Taxi drivers, Ride share drivers (Uber, Bolt, Taxify, etc) and Mechanics (ii) Artisans; Electricians, Plumbers and their likes. The issue with this fund is just like those of the other facilities and programmes of government. Most of the requirements could only be met by those in the categories of medium and big businesses while most at the micro and small levels are nowhere to be found in the scheme of things in this regards. Most of them have no bank account not to talk of BVN, thus automatically out of reckoning as far as this facility is concerned. Meanwhile, these are the people forming the nucleus of the nation's economy.

While announcing the commencement of the lockdown, Nigeria President, said government would employ a two-step approach. First, to protect the lives of fellow Nigerians and residents. Secondly, to preserve the livelihoods of workers and business owners to ensure their families get through the difficult time of the lockdown in dignity and with hope and peace of mind. Also, the Minister of Humanitarian Affairs, Disaster Management and Social Development said that food rations would be distributed to each vulnerable household. In addition, she said that each family on the National Social Register of Poor and Vulnerable Households would be paid twenty thousand Naira on monthly basis for four months (Falaju, 2020). The complaints and condemnations trailing this interventions really affected whatever good intention behind the initiatives. This is because nobody has laid claim to have collected the cash transfer as outlined by the Minister. Even the food rations was characterized with political affiliations, yet, government has kept on announcing bogus sum to the chagrin of the people who keep on requesting to know the beneficiaries, most especially in Lagos (Okon, 2020).

All of the complaints and lamentations stated above are the reactions trailing the claims by the Federal Government through the Ministry of Humanitarian Affairs, Disaster Management and Social Development. The government claimed to have spent the sum of ₦523.3 million on school feeding programme during the lockdown against the COVID-19 pandemic. The same Ministry claimed that all Nigeria households benefited from the government interventions).

## **Conclusion**

The various measures rolled out by the government are good and encouraging but lack of clear-cut framework to implement them and other lofty ideas is a cog in the wheel. There is lack of structure and weak institutions in the country to positively effect any meaningful policy. The Federal Government palliatives and poverty alleviation programmes like Tradermoni, Marketmoni and Farmermoni and the rest of them are good. However, they are not far reaching enough and do not address the core broad spectrum of the society poorest of the poor. Cash transfer, food distribution, tax reliefs and their likes are too slow and too far. In fact the effect of these interventions are yet to be seen or felt. The disbursement has been without a definite strategy. In other words palliatives couldn't have even got to a fraction of those who really need them under the present improvised system. Above all, there is lack of trust between the government and the people. This has made whatever policy of the government no matter how lofty and laudable, to be under rated most especially during the lockdown when the citizens needed their elected government most.

## **Recommendations:**

Having examined and reviewed the various intervention measures of the Federal Government of Nigeria against the lockdown occasioned by the Coronavirus (COVID-19) crisis, the following recommendations are suggested:

1. Government should create realistic database for enlistment of the poor demographic who might be in need of regular or occasional welfare support.
2. Government should institute a proper welfare system so that the country's under class could be protected from the vagaries of an unstable economy.
3. Nigeria government must as a matter of urgency make policies that fuel private initiatives and empower the private sector. This is in view of the fact that every developed economy has a vibrant Small – Medium – Enterprise (SME) sector that drives it.
4. There is the need for the government to build meaningful institutions and structures to carry government policies.
5. There is the need for the provision of efficient social security system that deal effectively with the welfare needs of the people as a whole. This is against the temporary palliative for a particular set of people.
6. Government needs to deploy more resources, creativity and transparency to ensure the basic necessity of life for everyone.
7. Governments at both the Federal and State levels should establish more COVID-19 intervention funds. This includes setting up of grant programmes specifically targeted at vulnerable MSME segments,
8. There is the need for government to ease accessibility to financing programmes. For example, the idea of emphasizing Bank Verification Number (BVN) to access some of the government intervention funds could be an impediment for unregistered small business outfits that do not have bank accounts.
9. There is the need for government to provide non-financial supports through deferrals on payment of taxes, delay collection of licences and permit fees.
10. Government funds and facilities should be designed in a way that the peculiarities of each of the types of MSMEs are considered. In other words those within the micro level operating within the informal sector, who may not

understand English language shouldn't be ignored or considered inconsequential.

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