

GOVERNANCE AND COVID-19 PANDEMIC IN NIGERIA: AN APPRAISAL

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Abstract

The world is facing an unprecedented crisis from Corona Virus diseases (COVID-19). Since its emergence, the virus has spread to every nook and crannies of the globe through human-human contact and globalization forces. The study relies on the content analysis of secondary data drawn from news, situation reports, and official publications of World Health Organization, journals, seminar papers etc to examine the effect of governance on COVID-19 pandemic. The paper reveals that the pandemic has caused devastating implications to the social, political and economic space of humans and states despite several policies put in place to curb the virus. Consequently, the paper recommends stern policies on social protection as a response to combating the virus, mitigate poverty and inequality, improving access to health care, and cope with socioeconomic shocks. Finally, Nigeria government should redefine vulnerability, collect vulnerable data and design sustainable social protection policies to forestall against future pandemic crisis

Keywords: Covid-19, financial crisis, global recession, public health, Social protection,

Introduction

The Corona virus Diseases (COVID-19) pandemic is a trans-national nature with overarching global socio-economic, health and political implications is not the first in the history of mankind. Crisis related to public health and communicable disease is ancient issues that have never respected national boundaries (Karen and Ivan p.419). As far back as 1325, the Bubonic Plague began in China, transmitted from rodents and fleas to humans moving rapidly from China to Western Asia and then to Europe with a death toll of about 25 million (one-third of Europe's population) at this period (Karen and Ivan p.419). Since this period, human beings have experienced global health related crisis such as Yellow Fever, Tuberculosis (killed over 1.5 million in 2013), Zika virus (infected about 1.5 million people in Brazil from where it spread northward); Malaria (with over 215 million malaria cases in 2015, most of which were in Africa) (CDC, 2016). Since December 2015, World Health Organization (WHO) has also identified a list of several potential epidemics requiring additional research that included Crimean Congo haemorrhagic fever, Ebola virus disease and Marburg haemorrhagic fever, Lassa fever, Nipah virus, and Rift Valley fever, Middle East respiratory syndrome (MERS) and SARS Coronavirus Diseases (COVID-19) which currently threatens humanity (WHO, 2015).

Since the end of 2019, after the first infectious case was discovered in Wuhan, China, COVID-19 has continued to spread across boundaries. According to Yemisi (2020),

COVID-19 has created a global widespread panic posing health, socio-economic and political challenges such as drifting nation's economy into recession, reducing democratic and participatory governance, reduction in social relations a result of the social distancing, movement restriction and lock-down policies among others. The intensity of the virus and implication for human and state security led the WHO declaration of the virus a 'Pandemic' on 11th March 2020 and call for a collaborative approach towards addressing the challenges posed by the deadly virus. As at of writing, April 29, there have been nearly 226,442 deaths, with more than 3,195,693 people infected and 988,079 recoveries across 204 countries and territories around the world (Daily post 2020). The Coronavirus disease has brought matters related to human security at the forefront of discussion with emphasizes on the welfare of individuals.

According to Peterson (2020), COVID-19 has become a global emergency, given its impact on the entire world population and the economy especially in terms of bringing considerable human suffering and major economic disruption. Government and non-governmental consortium have recognized the importance of Social protection policies at mitigating the impacts on humanity. He added that the rapid utilization of Social Protection (SP), its predominance, humanitarian and political supports in the process of protecting the vulnerable over the years is almost without precedents. Social Protection is considered an imminent response tool in mitigating the vulnerability and vulnerable situations of individual, households and state responses to the pandemic. State actors considered the implementation of Social Protection programmes with the objective of eradicating poverty and addressing vulnerability, improving health, education, food security among the poor, aged, Internally Displaced Persons, Children among others.

Prior to the outbreak of COVID 19, Nigeria has been committed to several social protection policies designed towards assisting the vulnerable and poor. With a population of 200 million, the government at different stage sought to develop overarching human development strategies of which national social protection policies and programme is inclusive. Peterson (2020) poised that, in spite of the commitment, the social protection programmes has been faced with several challenges and increasing national social security questions. However, the inability of the Nigerian government to address these fundamental problem has brew up complexities in COVID-19 social protection policies in Nigeria. The study provides an overview of policies that have contributed to reducing poverty and overcoming the human security in the COVID-19 period by identifying Nigeria social protection responses medically, socially, economically and politically. The study examines the current challenges facing Nigeria Social protection in terms of implementation issues. The aim of the study is to contribute to global perspective and situation arising from the pandemic and social protection policies.

Recessions are not new in Nigeria. Ozili (2020) says that during the 2016 recession, the monetary authority in Nigeria defended the local currency from forced

devaluation against the dollar and adopted a managed float foreign exchange system, which worked well from 2016 to 2019. He added that the aftermath of the 2016 recession in Nigeria, it was almost widely believed that unexpected and sustained decline in oil price was the most important cause of recessions in Nigeria. But in 2020, nobody thought that a public health crisis could trigger an economic crisis in the country. What made the 2020 economic crisis different from other economic crises or recessions in Nigeria was that most economic agents, who should have helped to revive the economy, were unable to engage in economic activities due to fear of contracting the Covid-19 disease, while other economic agents did not engage in economic activities when the government imposed and enforced its social distancing policy and movement lockdown in Abuja, Lagos and Ogun states on the 30th March of 2020.

As of 20th May 2020, the number of COVID-19 confirmed cases have surpassed one million across over 200 countries and territories worldwide. Fatalities have reached 220,000 with a case fatality rate around 5 percent (Abdul 2020). In Nigeria, confirmed cases have increased to 9,750 with 273 fatalities at the time of writing (Daily Trust, p.15). Cases have been registered in thirty five states and the Federal Capital Territory (FCT), with Lagos and the FCT reporting the highest number of cases. Efforts to contain the spread of the virus are underway. A National COVID-19 Multi-Sectoral Pandemic Response Plan has been adopted and will serve as a blueprint for a whole-of-Government response (Yemisi, 2020). He added that a network of current testing labs is being expanded for an additional six which will bring the total to 13 labs, including planned capacity in the North-Central and the North-West. As this network expands, testing capacity is expected to increase to 5,000 tests/day against the current capacity of approximately 500 tests/day with a 24-48-hour turnaround from receipt of samples. Increased testing will invariably lead to more cases being identified. Continued efforts to expedite procurement of additional kits, including 10,000 kits by the United Nations, are ongoing. Still, with the expected numbers to come in the weeks ahead, capacity will continue to be challenged.

The Federal Government has directed cessation of movement in Lagos, the FCT and Ogun states, currently accounting for 72 percent of the current cases, for 14 days effective March 30th, 2020. Meanwhile, these efforts have been supplemented by similar initiatives by several other States - those with confirmed cases and those without - imposing restrictions on entry in and out of the states as well as restrictions on movement within the state especially Niger State, enabling them to buy time for the recommended measures including for testing, isolation and contact tracing to be implemented.

The corona virus outbreak which started in the Wuhan province of China had spill over problems in Nigeria, the reason why the outbreak became uncontrollable and caused suffering to poor citizens of Niger State was because of weak institutions that were ineffective in responding to the pandemic and the lack of social welfare programs

that would have catered for poor citizens and vulnerable citizens who were affected by the crisis. The fear of financial and economic collapse led to panic buying, hoarding of foreign currency by individuals and businesses for speculative reasons, flight to safety in consumption, households stocking up on essential food and commodity items, businesses asking workers to work from home to reduce operating costs.

Methodology

The study adopted a qualitative method using secondary data such as (books, journals, seminar paper, magazines and newspaper) to examine the role of government in combating Covid-19 in Niger State. The paper is divided into parts. Section 3 discusses the literature on conceptual perspective and economic crisis. Section 4 COVID-19 in Nigeria: Emergence Response. Section 5 Pandemic in our Home: Social Protection Response (s) in Nigeria. Section 6 discusses the structural factors that worsen the economic crisis in Nigeria. Section 7 discusses the much needed reforms. Section 8 concludes.

Literature Review

Concept of Governance

The term governance entails the steering of a country towards the understanding of societal goals. On the other hand, governance implies the process of decision making and the process of its implementation or non-implementation . It refer to the procedure and institutions where decisions and authority are made and exercised . Governance is about exercise of authority through formal and informal procedures for the common good . Governance could be corporate, local, national or international. In line with the positions of the above authors, political pundits observed that Nigeria is seriously confronted with the challenges of good governance. This can be justified by apparent unwillingness of leaders to practice the principle of equity, justice, fairness, judicious utilization of public resources and above all consideration for the interest of common man. Furthermore, Nigeria as a country is perceived as a victim of advanced corruption, political volatility, bad governance, and a recurring legitimacy crisis (Anazodo, 2015). Hence, national development is stunted, and the political atmosphere indeterminable. The country's dictatorial leadership is confronted with serious political conspiracies in a culturally discriminated society.

Social Protection:

The International Labour Organization defines social protection (social security used interchangeably) as 'set of public measures that a society provides for its members to protect them against economic and social distress that would be caused by the absence or a substantial reduction of income from work as a result of various contingencies (sickness, maternity, employment injury, unemployment invalidity, old age, and death of breadwinner); lack of access or unaffordable access to health care; insufficient family support, particularly for children and adult dependants; and general poverty and social exclusion. The social protection measures can be in form of cash transfer schemes, public work programmes, school stipends, unemployment or

disability benefits, social pensions, food vouchers and food transfers, user fee exemptions for health care or education and subsidized services.

The Africa Union also conceive Social Protection as a 'public and private, or to mixed public and private measures designed to protect individuals against life-cycle crises that curtail their capacity to meet their needs'. The objective is to enhance human welfare. For the purposes of this Protocol, social protection includes all forms of social security, but also goes beyond the social security concept. It also includes strategies and programmes aimed at ensuring a minimum standard of livelihood for all people in a given country, enhancing human welfare; (economic security)'. The Nigeria context of social protection was defined by the ILO 'as a mix of policies and programmes designed for individuals and households throughout the life cycle to prevent and reduce poverty and socio-economic shocks by promoting and enhancing livelihoods and a life of dignity'. In other words, Social protection is generally understood as a set of public actions that address poverty, vulnerability and exclusion and provide means to cope with life's major risks throughout the life cycle.

Economic Crisis Perspective

The literature on economic crisis is vast. Morales and Sachs (1989), in their analysis of the economic crisis in Bolivia, show that Bolivia suffered from major external shocks, including the rise in world interest rates in the early 1980s, the cutoff in lending from the international capital markets, and the decline in world prices of Bolivia's commodity exports. Bolivia also witnessed hyperinflation from 1984 to 1985 which did not result from the dislocations of war or revolution. The hyperinflation was a disaster for the Bolivian economy because many well-connected rent seeking individuals made large profit in the hyperinflation. Anybody with access to official foreign exchange from the central bank purchased cheap dollars and sold them at a several hundred percent profit in the black market. Similarly, commercial banks who took deposits at zero interest were lending money at high nominal interest rates. Similarly, the government extended large amounts of low-interest loans to politically powerful landowners which became grants to them as a result of the hyper-inflation (Morales and Sachs, 1989).

Nigeria witnessed two economic crises within a decade. The economic crisis of 2009 was as a result of the global financial crisis while the economic crisis in 2016 was as a result of the sudden fall in oil price in the world market. The 2009 recession was caused by a combination of the after effect of the 2007-8 global financial crisis, poor loan underwriting process in banks, bad risk management practices and poor corporate governance of banks (Sanusi, 2010). Banks were a major cause of the 2009 economic crisis. The 2016 economic crisis was caused by unexpected decline in oil price which led to a sharp drop in oil revenue which severely affected Nigeria's foreign reserve (Adeniran and Sidiq, 2018). This led to massive balance of payment deficits combined with an already high debt burden which plunged Nigeria into its second recession in a decade.

The literature also show that economic crises have notable consequences. For instance, Carneiro et al (2014) show that the economic crisis in Portugal gave rise to job destruction due to the collapse of existing firms, increasing unemployment rate, increase in the incidence of minimum wage freeze, and also led to an increasing number of temporary workers. Cheong (2001) show that there was increasing income inequality during the Korean economic crisis, while Giannakis and Bruggeman (2017) in their analysis of the economic crisis in Greece observed that rural regions are more resistant to recessionary shocks than urban regions. Other consequences include: high mortality rates from homicide, pneumonia, and alcohol dependence during economic crisis (Khang et al, 2005), and the collapse of many small and medium scale enterprises (Soininen et al, 2012).

So far, the literature has not analysed the effect or consequence of a health crisis on the economy. More specifically, the effects of coronavirus, or Covid-19, on economic activities and performance have not been explored in the literature.

COVID-19 in Nigeria: Emergence Response

By January 2020, the World Health Organization (WHO) declared Corona Virus Diseases (COVID-19) a World Health Emergency. The Virus, medically is said to belong to the class of Severe Acute Respiratory Syndrome (SARS) outbreak in 2003 and the Middle East Respiratory Syndrome (MERS) outbreak in 2012.¹² The origin of the virus has been contentious. The emergence has been traced from animal hosts, which now spreads through human-to-human contact. The infection rate of COVID-19 appears to be higher than that for the seasonal Flu and MERS, with the range of possible estimates encompassing the infection rates of SARS and Ebola mortality rate. In either way, COVID 19 is causing devastating harms to humanity.

The COVID-19 virus was first diagnosed in Wuhan, China, and has spread through globalization forces to over 210 states including the United State which as at writing is the most affected state alongside China, Spain and Italy, United Kingdom. Just like the implication of global village hypothesis, by March, 2020, the focal point of infections shifted from China to Europe, especially Italy, but by April 2020, the focus shifted to the United States, where the number of infections is increasing. As the infection spread, states have resort to the closure of their borders to arrivals from other states with or without infection, ordered businesses closure, directed their citizens to self-quarantine, and maintain social distancing. For instance, by late January 2020, China was the first country to impose travel restrictions, followed by South Korea and Vietnam and almost all infected states. By March 11, 2020, the World Health Organization declared the health emergence officially as a pandemic – the highest level of health emergency.

The outsized impact of COVID 19 was evident as the pandemic weakened global economic hub and international economic relations, work forces, and global supply chains. As at writing, there is a string of valuable evidence that the pandemic has

significant negative impact on global economies¹⁶ with a sharp reduction in global trade, tourism and hospitality, Gross Domestic Profit, State National Budgets, consumer electronics, and financial markets to energy, transportation, food, and a range of social activities, at the first quarter of 2020. For instance, on the economic front, prior to the outbreak of the pandemic, the global economy was struggling from international economic relation conflicts as a result of trade protectionism, trade disputes among the major power blocs, and falling global commodity prices.¹⁷ It was in such uncertain global economic relation that the pandemic occur. As at writing, April 27, Oil prices have fallen to a level below \$30 per barrel while oil inventories are accumulated as demand become increasingly dampened¹⁸. Also, tourism is an important source of revenues for developing economies in Asia in states such as Palau and Maldives with 40% percent of the state GDP from the tourism economies.

The spread of COVID-19 to Nigeria occur through a 44-year old Italian citizen who on 24th February arrived in Nigeria through the Muritala Muhammed International Airport, Lagos at 10pm on 24th February 2020 aboard Turkish Airline from Milan, Italy. The Italian man traveled from the Airport to his company site in Ogun state on 25th February. On 26th February, he was at the staff clinic in Ogun where the managing physician made some high index suspicion. He was referred to IDH Lagos where COVID-19 was confirmed on 27th February. As at the time of writing May 3, Nigeria has recorded 2388 cases COVID-19 patient with 385 discharges and 85 deaths.

The pandemic has caused local, regional, and global supply disruptions; local and sectoral demand repercussions; and confidence effects holding back demand and supply. The spread of the pandemic has affected the economic space of Niger State. For instance, the fall in Oil is a part of the global expectation that the global economy is expected to contract sharply in 2020 by -3 percent, much worse than during the 2008-09 financial crisis, owing to the ongoing health crisis and its economic and financial ramifications¹⁹ price has affected the economy of Niger State and her budgetary allocations. The Nigeria budget derive 80% of its revenue from the crude oil. The 2020 budgetary allocation was benchmarked at \$57% per barrel. The oil price fall was an implication of COVID 19 which cause a lower global demand plunged the oil price to below \$29 per barrel. These has dragged Niger State 2020 budget into a larger deficit. As part of the government measure to address the impact of coronavirus and fall in oil price on the economy and state budget, the government announced that the budget was reduced by NGN1.5 trillion (\$4.90 billion) and also by April 28, 2020, the Nigeria House of Senate approves N850bn loan request from the state Domestic Capital Market to fund the 2020 budget and as part of the measures to mitigate the impact of the COVID-19.

The pandemic has also caused supply shocks in the global supply chain as many importers shut down their factories and closed their borders particularly China. Nigeria was severely affected because Nigeria is an import-dependent country and as a result Nigeria witnessed shortage of crucial supplies like pharmaceutical

supplies, spare parts, and finished goods from China. Since China and the rest of the world have resorted to closing down factories, imposing travel bans and even total country lock-downs, as they struggle to contain the spread of the virus. This suggest that Nigeria's vulnerabilities to the impact of these external shocks can be adduced to increased dependencies on global economies for fiscal revenues, foreign exchange inflows, fiscal deficit funding and capital flows required to sustain the nation's economic activities.

The pandemic also had an impact on demand and supply chain with gross implication for the Small and Medium Scale enterprise (SMEs) in Nigeria. First implication arises from the unavailability of necessary logistics to bring in materials and ship out products, many factories can barely produce or have no place to store the products. Prior to the outbreak of COVID-19, the National Planning Commission of Nigeria, state that the country is in progress of achieving vision 20:2020 of improving the pace of economic development by transforming from industry based to knowledge based economy and be among the twenty leading economies of the world come year 2020. However, the implication of COVID-19 has complicated the development of SMEs in term of development in innovation, operation and customer capital. Also, as a result of widespread, there is low market demand which incapacitate SMES in sustaining the cost of business and lack of revenues.

The pandemic also has implication on religious sectors, markets, banking sector, and family situations. On the family level, there has been an increase in cases of gender violence and women and children abuse in Nigeria and also from a gender perspective, domestic care responsibilities for working parents, especially women, have increased considerably during the crisis. The COVID-19 pandemic has made government focused on the economic and health related matters in which aspect of social relations are becoming worrisome. The absence of Civil Society Groups and other Government sub-parastatals addressing child abuse heightened the acts. The pandemic also has gross implication for food security as a result of the movement restrictions which prevent farmers from farm, halt marketing of agricultural produce and supply chain of agricultural goods to urban centres. More than 80 percent of rural population in Nigeria rely on subsistence farming. The 2020 off season harvests should be reaching markets and providing substantial incomes of stallholder farmers. Market closure, restriction on internal and cross borders movement limit farmers' preparation and commitment to the planting period starts in May/June. The devastation of the pandemic has also forced government concentration on health related matters rather than agricultural protection. This suggests that the post COVID-19 period can fall into an era of food insecurity. Important harvests loss is can be reported in the year 2020 if the above-mentioned restrictions continue; famers won't have access to market to buy good quality seeds and fertilizers which consequently, smallholder farmers' incomes are shrinking and purchasing power decreasing for the main agricultural season. The Federal and State government as at writing recognize these implications and thus relaxes the COVID-19 curfew to accommodate farmers.

The education implication of COVID-19 has become worrisome in Niger State because of the inability of the State to provide and average digital educational economy at the secondary and university level. The closure of school is not applicable to Niger State alone. The fact reveals that 35 had shut schools nationwide including FCT, impacting almost 16 Million learners which is 91.3% of total enrolled learners. As a medium to curb the spread the pandemic, the National government has directed the closure of all private and public institutions at the primary, secondary and higher institution (Universities, Polytechnics, Colleges of Education and Innovation Centre). Unlike the developed world where educational learning has been supported through the digital economy, the Nigeria case has been pathetic as a result of the inability to develop a digital social and economic basis. Digital technology helped many businesses in developed countries survive the effect of the COVID-19 outbreak, and it created an opportunity to enhance the country's digital economy

Pandemic in our Home: Social Protection Response (s) in Nigeria

Social protection policies in COVID-19 period has been considered by state, non-state actors and individual stakeholders has a fundamental way to mitigate the implication and adverse impact of COVID-19 on the poor, vulnerable, households and economy of the state in the pre and post COVID-19 period. Social Protection is importantly an important pillar of delivering rapid social and economic support to the poor and vulnerable, suffering from crisis hits such as the pandemic in the process of protecting them.

As at writing, April 23, 151 states have planned, introduced or adapted 684 Social Protection measures in response to COVID-19.26 Social protection policies have occurred in term of Conditional Cash Transfer, Social Assistance, Social Protection Floors, Safety net and In-kind transfer. Social protection in Nigeria prior to the outbreak of COVID-19 is marked by a high degree complexities and challenges emanating from the inability to assume a national outlook, under developed, poorly funded sustained by the state, identify the vulnerable, and institutional challenges. Nigeria Social Protection systems only cover a tiny segment of the population and neglect the most vulnerable groups.

The Nigeria government incorporated the element of social protection in her fight against COVID-19. The Quarantine Acts (CAPQ2 LFN 2004) under which Nigeria Federal Government provide COVID-19 regulations provided elements of social protection. At the 'Relief Materials Segment'. The following statement were made and duly signed by the president

- v For residents of satellites and commuter towns and communities around Lagos and Abuja whose livelihood will surely be affected by some of these restrictive measures, we shall deploy Relief Material to ease their pains in the coming weeks
- v Furthermore, although schools are closed, I have instructed the Ministry of Humanitarian Affairs, Disasters Management and Social Development to

- work with state government in developing a strategy on how to sustain the School Feeding Programme during the period without compromising our social distancing policies. The Minister will be contacting the affected states and agree on detailed next steps
- v Furthermore, I have directed that a Three-Month Repayment Moratorium for All Trader Moni, Market Moni and Farmer Moni be implemented with immediate effects.
 - v I have also directed that a similar moratorium be given to all Federal Government funded loans issues by the Bank of Industry, Bank of Agriculture and the Nigeria Export Import Bank
 - v For the vulnerable in our society, I have directed that Conditional Cash Transfer be paid immediately. Our Internally Displaced Person will also receive two month of food rations in the coming weeks
 - v We also call all Nigeria to take personal responsibility to support those who are vulnerable within their communities, helping them with whatever they may need 27

In addition, the Nigeria House of Representatives recently passed the Emergency Economic Stimulus Bill 2020 (The Bill). The Bill is essentially aimed at providing certain reliefs for individuals and corporate bodies to cushion the adverse effect of the economic downturn caused by the Pandemic. The Bill seeks to, amongst others, cater for the general wellbeing of Nigerians as well as provide temporary relief to companies and individuals to alleviate the adverse financial consequences of a slowdown in economic activities caused by COVID-19. It is also aimed at protecting the employment status of Nigerian, providing stimulus on mortgage repayment as well as eliminating bottlenecks surrounding the importation of medical equipment and materials

COVID-19 is having an unprecedented impacts creating broader human vulnerability. The Nigeria government has responded by providing social assistance in form of cash transfer for the vulnerable. In response to the COVID-19 shock, horizontal and vertical expansion will be adapted for quick scale-up of support using the existing National Social Safety Nets Project (NASSP) platform for existing chronic poor as well as transient poor (vulnerable households and individual to be affected by COVID-19 crisis). The National Social Register (NSR) currently contains data of over 2.6 million poor and vulnerable households (11 million individuals) across 34 States and the federal capital territory. With the accelerated registration and rapid expansion, it is expected that the NSR will grow to total of 4 million poor and vulnerable households across all the states. Currently, there is a National Beneficiary Register (NBR) with a total of 1,028,416 poor and vulnerable households targeted for CCT support across 32 states. These are HHs registered in the NSR ranked from the 6th poverty decile and below. The government has made the decision to pay this

category of HHs an advance payment of 20,000 naira (approximately US\$ 52) each as bulk for that monthly payments for 4 months.

The Nigeria government has also enjoyed the support of government arms, individual and non-state actors in the provision of social protection element. The Nigeria Air Force as part of her 56th Anniversary projects distributed food items and palliatives to indigent members of host communities in Nuwalege, Zamani and Ushafa in the Abuja Municipal and Bwari Area Councils of the Federal Capital territory which was aimed at assuaging the hardships being experienced by Nigerians as a result of the COVID-19 lock down policy. Regional bodies such as North-East Development Commission (NEDC), CACOVIND has also assisted in in-kind transfers in form of food and palliatives distribution. Traditional rulers, Community Association and Hometown Associations, Tertiary Institutions (palliative to their host communities) has also assisted in terms of in-kind measures. In terms of Utility and financial obligation support (waiver/postponement), Trader Moni is a N10,000 loan to traders that depend on daily income, while the N5, 000 Market Moni is for providers of essential services, including shoe- makers and vulcanizes. It is a part of the Government Enterprise and Empowerment Programme (GEEP) scheme executed by the Bank of Industry. Beneficiaries have been notified of a 3-month moratorium on their loans in line with.

Structural factors that worsen the economic crisis

In this section of the paper I present a description of key structural factors that helped to trigger or worsen the current economic crisis.

Poor public health infrastructure

The public health sector in Nigeria has poor infrastructure such as poor emergency services, few ambulance services, ineffective national health insurance systems, insufficient primary health care facilities, and these problems in the public health sector have often been linked to the high maternal and infant mortality rates in the country (Muhammad et al, 2017). Currently, Nigeria operates a two-tiered healthcare system with a large public healthcare sector and a smaller private healthcare sector. Compared to developed countries, the private healthcare sector in Nigeria is very small because of the limited funding for private health insurance. Also, the majority of Nigeria's healthcare spending is still dominated by out-of-pocket expenditure which account for 70% of total health expenditure, which suggest that most Nigerians either do not rely or trust the health insurance systems in the country or they are unaware of the availability of health insurance. Despite the introduction of the National Health Insurance Scheme (NHIS) in 2004, the population covered by health insurance in 2019 was about 5 percent of the total population.

The Nigerian pharmaceutical industry also has its own problems. The Nigerian pharmaceutical industry is one of the largest in West Africa, and accounts for about 60% of the market share in the region. But most of the active pharmaceutical ingredients (API) used in Nigeria are imported from China, and only 10% of the drugs used in Nigeria are manufactured locally in the country. The industry is facing many

problems such as poor infrastructural and unreliable utilities, scarcity of skilled workers, poor access to finance, lack of appropriate government incentives, policy incoherence by the government, poor demand due to robust competition from Asian companies particularly China, high cost of doing business as a result of imported and expensive production inputs, regulatory problems, among others. Nigeria has a drug market that is almost unregulated because the health agencies have difficulty in preventing the importation of illegal drugs and difficulty in tracking informal drug sellers that operate without a registered license (Fatokun, 2016). It is estimated that informal drug sellers in the country account for more than 70% of the pharmaceutical market and these informal agents import substandard and falsified drugs through informal channels. Research shows that 78% of low-quality medications came from private facilities compared to public facilities, and most of these private facilities are unregulated. The unregulated drug market in Nigeria is the major factor responsible for the circulation of low-quality medicines in the country (Klantschnig and Huang, 2019).

The failings in Nigeria's public health sector made it difficult for Nigeria to cope with the fast spreading Covid-19 disease during the outbreak. Local drug manufacturers could not manufacture drugs that could temporarily suppress coronavirus in infected patients because the APIs used to manufacture suppressant drugs could no longer be imported because China had shut down its factories and closed its borders to control the coronavirus pandemic that was ravaging China at the time. Also, there were insufficient isolation centers in many states including in Abuja and Lagos.

The number of infected patients in Niger State grew worse to the extent that a stadium had to be converted to an isolation center. In the end, the Covid-19 outbreak overwhelmed the poor public health infrastructure in Nigeria.

A weak and underdeveloped digital economy

Prior to the Covid-19 outbreak began, Nigeria already had a weak and underdeveloped digital economy. There was hardly any university or school that offered a full educational curriculum online from start to finish. Most businesses, including banks and technological companies, operated using the traditional 'come-to-the office-to-work' model as opposed to the 'working from-home' model. The outbreak of the novel coronavirus brought challenges to the business environment in Nigeria. It impacted industries and markets in the short term. The operations of these markets and industries would have been minimally affected if they had a large digital operation infrastructure. The only services that were offered through the existing digital infrastructure during the Covid-19 outbreak were telecommunication services, digital bank transfers and internet services.

The digital economy would have played a major role in driving recovery from the economic crisis if Nigeria's digital economy was robust and well-developed. For instance, in Nigerian schools and universities, educators can put coursework online so that students quarantined at home don't have to miss out on key aspects of their

education while school is closed or when students can't get to school. E-commerce apps that enable online buying and selling can allow buyers and sellers to make purchases and sales while staying in their homes. Also, tele-health apps for health and wellness checks can allow individuals in all affected areas to take extra precautions to monitor their vital signs and learn how to reduce their risk of infection. Also, family members can visually check on their parents, grandparents and siblings without physically visiting them which provides a level of comfort that would be impossible over the phone. Online delivery businesses can use virtual assistants to help ensure that goods purchased from online grocery stores are delivered when customers need them. Businesses that don't want their workforces to travel or whose employees are uncomfortable taking trips can stay connected with team members, clients and prospective clients around the world using software platforms video conferencing technologies. All these are possible when there is a robust and well-functioning digital economy.

Outside Nigeria, digital technology helped many businesses in developed countries survive the effect of the Covid-19 outbreak, and it created an opportunity to enhance the country's digital economy. In the future, a well-developed digital economy in Nigeria, achieved through intense digital technology penetration, will play a greater role in reducing the effect of recessions in the country, and will also help in supporting economic activities, social activities, the development of good health care systems.

Lack of social welfare program

Before the Covid-19 outbreak, there were major social problems in Niger State which include child abandonment, armed robbery, homelessness, mental health problems, divorce, and problems of single parenting. These social problems can only be addressed with serious social welfare policy and program. But, currently, social welfare activities in Niger State is under developed, poorly funded and is unavailable to majority of those who need them (Ahmed et al, 2017). Nigeria does not have a national social welfare program that offers assistance to all individuals and families in need such as health care assistance, food stamps, unemployment compensation, disaster relief and educational assistance. The consequence of not having a national social welfare program became evident during the coronavirus outbreak of 2020. During the outbreak, people had little to rely on, poor citizens did not have welfare relief that could help them cope with the economic hardship at the time. There were no housing subsidies, energy and utilities subsidies, and assistance for other basic services to individuals that were most affected by the coronavirus outbreak. There are debates on the benefit of using social welfare programs to alleviate poverty and to help citizens cope with disasters (Luenberger, 1996; Dolgoff et al, 1980; Abramovitz, 2001), and social welfare theories provide different perspectives on how social welfare can be designed to meet the basic needs of the people (Fleurbay and Maniquet, 2011; Arrow et al, 2010; Andersen, 2012).

So far, the provision of social welfare services to vulnerable citizens in the population is the most proven way to protect them from economic hardship in bad times (Ewalt and

Jennings Jr, 2014), and the lack of such welfare services for vulnerable people, households and poor individuals during the coronavirus outbreak in Nigeria caused severe pain and economic hardship to households and poor individuals. The implication of this is that social welfare is not a policy priority by policy makers in Nigeria.

The Much Needed Reforms

We do not fully know how bad the increasing spread of Covid-19 will be in Nigeria in the coming months if not years. But what we do know is that whatever happens to the economy at the height of the crisis and whatever damage is done, would show that we have to use this crisis as an opportunity to reconstruct the country and its economy. The economy shutting down and the overloaded public healthcare systems show that the entire public healthcare system and the economic system need to be reinvigorated. We should not waste this opportunity to rebuild the country's infrastructure. But if we do not get our house in order then we will be severely punished in the months and years ahead when the next crisis comes.

Conclusion

This paper analyzed the recent economic crisis in Nigeria. It showed that the spillover of Covid-19 pandemic into Nigeria coupled with declining oil price, which were external shocks, caused the economic crisis in Nigeria in 2020. The structural problems in Nigeria at the time prolonged the economic crisis. The study also discusses the importance of Social Protection to the devastating effects caused by the COVID-19 pandemic. The study examined the State response and most importantly the social protection response in terms of Conditional Cash Transfer, among other. The study has also argued that in spite of the importance and adequacy of this social protection responses, it has been primary faced with challenges which the Federal and State government has failed to address and thus presenting new form of complexities in devastating period such as COVID-19 demand during the outbreak. The paper reveals that the pandemic has caused devastating implication to the social, political and economic space of humans and states despite several policies put in place to curb the virus. Consequently, the paper recommend for stern policies on social protection as a response to combating the virus, mitigate poverty and inequality, improving access to health care, and cope with socioeconomic shocks. Finally, Nigeria government should redefine vulnerability, collect vulnerable data and design sustainable social protection policies to forestall against future pandemic crisis

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