



POLAC ECONOMICS REVIEW (PER)
DEPARTMENT OF ECONOMICS AND MANAGEMENT SCIENCE
NIGERIA POLICE ACADEMY, WUDIL-KANO



IMPACTS OF COVID-19 PANDEMIC LOCKDOWN ON MICRO, SMALL AND MEDIUM ENTERPRISES IN NIGERIAN SOUTH-WEST

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Abstract

It is clear that the COVID-19 pandemic has severely impacted the global economy and is still wreaking havoc on business operations. The hardest hurt is micro, small and medium-sized enterprises. This study explicitly evaluates the impact of the COVID-19 pandemic on the performance of MSMEs in the Nigerian Southwest and offers ideas on how their businesses can develop and function successfully in the face of the pandemic's multiple hurdles as well as the country's deteriorating economy. The study used both qualitative and quantitative research methods. A structured questionnaire was adopted to collect data from 175 respondents who were dispersed around the study area. Personal interviews with business owners, and focus group discussions (FGDs) among employees of MSMEs who were specifically chosen in the study area to provide insight into the impacts of the COVID-19 epidemic on their MSMEs were also adopted. The outcomes from the study revealed that the COVID-19 pandemic's impacts involve: a decrease in supplies of raw materials, lack of operational capital, reduced sales, trading at a loss, lack of qualified employees due to a decline in staff wages, failure to pay salaries, repay loans and rent, small earnings or revenue generation, shortage of customers, and absence of genuineness in the effort of the government to mitigate the severity of the pandemic. The study recommends that government implement well-monitored and organized relief schemes, programmes that minimize hardship, lower interest rates, loosen credit requirements, and postpone tax payments.

Keywords: COVID-19, Pandemic, Lockdown, Business Performance, MSMEs, Southwestern Nigeria.

Introduction

Small and Medium Enterprises (MSMEs) play an important role in the development of a nation's economy. The reasons for this are the fact that MSMEs provide benefits such as job creation, knowledge spillover, economic multipliers, innovations drivers and cluster development in an economy (Chinaemerem & Anthony, 2012). Considering the importance of MSMEs in an economy, it becomes quite acceptable to look at factors affecting their performance which is a major determinant of their survival. The MSMEs subsector becomes a good source of job creation, aid in

the development of local technology and a source of development for indigenous entrepreneurs (Alaye Ogan, 2012). This role performed by the MSMEs has been distracted by the global pandemic COVID-19 (Coronavirus). The coronavirus illness 2019 (COVID-19) has spread around the world since its breakout in Wuhan, China, in 2019, and has become a serious global health issue in this millennium. As of September 9, 2021, COVID-19 has caused over 221 million illnesses and 4.6 million deaths globally, making it a serious global public health threat (European Centre for Disease Prevention and Control [ECDC], 2021). As of April 30-May 2nd 2022, there have been 255, 766

confirmed cases in Nigeria, with 3,143 deaths as reported by Nigeria Centre for Disease Control [NCDC, May 2nd, 2022).

COVID-19 has had a negative influence on people's socioeconomic life all around the world, in addition to posing serious health risks. For instance, it has affected and may continue to change the way we live on our planet. Despite the release of a vaccine to prevent the disease's spread and severity, individuals, especially the elderly, are being advised to avoid crowded gatherings, maintain physical and social distancing, wear facemasks in public areas, and wash or sanitize hands as often as possible. As a result, the dread of getting COVID-19 is real, and many people are still on some kind of self-imposed lockdown, despite the lifting of worldwide mobility restrictions set to slow the spread of the disease.

Furthermore, COVID-19 has had extraordinary ramifications for the global economy, "exposing the vulnerabilities of individuals, societies, and economies" (Organization for Economic Co-operation and Development [OECD], 2020). Governments all across the world used different policy measures, such as imposed lockdowns and quarantines, limited travel, and shuttered schools and businesses, to prevent the spread and alleviate the bad health impacts of the epidemic, especially during its early stages. Consequently, as nations declared lockdown and urged physical and social separation, individuals lost their jobs and livelihoods, causing the worldwide poverty rate to skyrocket.

Realizing that Small and Medium Enterprises (SMEs) employ 80% of Nigeria's workers and contribute considerably to the country's GDP (PWC, 2020), the COVID-19 situation is likely to have a large negative impact on the country's SMEs. Some SMEs providing critical services such as transportation (commercial drivers and motorcyclists or sent riders, for example) have had their operations stalled as a result of local and cross-country mobility limitations. Indeed, during this period, most, if not all, SMEs faced a two-fold threat: lower cash inflows and a lack of earlier reserves to fall back on amid limitations. It is understood that most Nigerian SMEs have little financial reserves and rely

heavily on daily cash flows. As a result, MSMEs' limited reserves, erratic cash flows, and lack of long-term liquidity and credit facilities have been worsened by the reality of the COVID-19 crisis, putting Nigeria's economic recovery at risk. Because, as previously said, MSMEs in Nigeria account for around 80% of all job prospects in the country. Consequently, the impact of the lockdown on MSMEs in Nigeria due to the COVID-19 Pandemic has been affecting the Gross Domestic Product (GDP) of Nigeria as a nation. This has resulted in an economic meltdown with several characteristics such as youth unemployment which encourages social vices like kidnapping, bunkering, militancy in the Niger Delta, Bokoharam in the North, banditry, herdsman' insurgency etc. The impact on the standard of living and welfare of Nigeria due to the low performance of MSMEs as a result of poor funding cannot be over emphasis.

Moreover, new survey data has revealed the impact of the COVID-19 situation on Nigerian MSMEs. In Nigeria, for example, according to a 2020 study of MSMEs' owners and managers, 42 per cent of women-owned firms had closed as a result of the epidemic, compared to 33 per cent of men-owned enterprises (World Bank, 2020). It is on this background that the researchers seek to study the impact of the COVID-19 lockdown on MSMEs in Nigeria.

The MSMEs in Nigeria and the COVID-19 Lockdowns

On February 27, 2020, Lagos State received the first coronavirus disease 19 case confirmation from Nigeria. Since then, there have been more cases; as of May 2nd, 2022, there have been 255,766 confirmed cases and 3,143 fatalities, out of an estimated 210 million individuals. (NCDC, April 30 – May 2, 2022). The main challenge several states encountered as the COVID-19 epidemic expanded, particularly during the first wave, was how to stop the spread without using pharmaceuticals. Several jurisdictions employed contact tracing to find and isolate potentially sick people, quarantines, and lockdowns as containment methods during these tumultuous times (movement restrictions and international border closures). It quickly became clear that the virus could easily and covertly increase its transmission if the local community's widespread infection was confirmed.

Many states enacted more extensive mitigation measures to decrease the pace of local community transmission to stop its spread, including lockdowns and social/physical seclusion.

A lockdown is "a strategy or a regulation implemented by governments in various countries to contain the transmission of COVID-19," claim Amusan and Agunyai (2021: 3). Although some people like to confuse the terms lockdown and quarantine, they are not the same. The two, however, had the same goal in mind: stopping the COVID-19 virus's propagation. Quarantine typically targets those who have visited regions where the virus is common and may have come into touch with sick people. Such persons are typically tested to make sure they did not show symptoms of COVID-19 sickness and isolated at a specified facility for a while. Therefore, the purpose of quarantine is to isolate and separate anyone who may have had intimate contact with a COVID-19 virus-positive person. (Hitav et al., 2020). On the other side, during a lockdown, all points of contact, including hotels, schools, places of worship, markets, etc., are closed. All people are affected by lockdowns, while only those who may have come into touch with infectious people are impacted by quarantines.

The ultimate goal of such treatments, either lockdown, quarantine, or other non-pharmaceutical interventions (NPIs), is to level the COVID-19 curve by lowering the number of reported cases or infected individuals. Therefore, on March 30, 2020, the Nigerian government declared the halt of movement in Lagos, Ogun, and Abuja, which were at the time thought to be the pandemic's epicentres in the nation, following the global non-pharmaceutical containment practise. The lockdown was extended to include Kano State on April 27, 2020, for a further two weeks. However, a state-wide lockdown and comparable limitations on entry into and exit from the country quickly followed due to a persistent rise in the number of confirmed cases and community spread of the virus.

As previously mentioned, the NPIs as contact limiting methods include workplace closures, school closures (for example, a learn-from-home virtual mandate), prevention of gatherings (cancellation of events that will gather more than 20 people), stay-at-home orders

(for communities, states, or the entire country), quarantine of exposed individuals, quarantine of buildings, a ban on international travel, and so forth (Oraby et al., 2021). Therefore, the contact limit strategy aims to cut down on both the number and length of encounters, which in turn slows the spread of the virus. Lockdowns diminish community or state-wide virus transmission by shifting the dynamics of transmission to within-household connections. The COVID-19 virus can be prevented from spreading by NPIs, which prevent excessive human contact (Flaxman, et al., 2020).

Although the lockdown approach has drawn criticism for its anti-democratic and repressive stance, it has also been praised for flattening the COVID-19 curve. For instance, Buja et al. (2020) argued that although the Italian populace viewed the lockdown as harsh, it stopped the virus from spreading to some regions of the country, even if it was perceived as such by the Italian population. Additionally, it was thought that the Indian government's announcement of the lockdown helped to lower the number of verified cases in the nation. (Flaxman et al. 2020). According to research, the three phases of the lockdown announced by the Nigerian government phase one, from April 27 to May 4, 2020; phase two, from May 5 to June 29, 2020; and phase three, from June 30 to July 27, 2020—exacerbated the COVID-19 situation in the state (Ibrahim, Ajide & Julius, 2020). In other words, the lockdown, according to researchers in public health, contributed to a decrease in the number of COVID-19 cases in Nigeria (Odukoya, et al., 2020; Ibrahim, Ajide & Julius, 2020).

Lockdowns and other NPIs have slowed the spread of the virus, but despite this, they have come under fire for producing other undesirable outcomes. Indeed, research has indicated that containment efforts against COVID-19 have presented MSMEs with a variety of hurdles and difficulties. For instance, the duration of lockdowns and movement restrictions imposed by different sovereign states had a significant negative impact on MSMEs, paralysing their operations and "exposing them to financial risk" (Adam & Alarifi, 2021: 1-2). Gurra (2020), Segal and Gerstel (2020), and Robinson and Kengatharan (2020) research showed that MSMEs had shortages in the labour force and production inputs due mostly to supply chain distortions that had a

detrimental impact on their sales and their capacity to meet their financial obligations. The consumers' diminished purchasing power as a result of their decreased income and feelings of insecurity exacerbates this issue (Gurra, 2020). Indeed, being unable to work or conduct business daily would have a negative influence on people's ability to support themselves in a nation where MSMEs account for a sizable portion of the labour market. In the case of Nigeria specifically, it was thought that COVID-19 struck at a challenging moment for Nigeria's MSMEs, who were already in a vulnerable situation as the economy was only beginning to recover from the 2016 recession (World Bank, 2020; UNDP & NBS, 2021).

MSMEs are classified based on the number of employees. As an illustration, micro-enterprises have 1–9 employees, small businesses have 10–49 employees, and medium-sized businesses have 50–249 employees (World Bank, 2010). However, the definition of MSMEs differs from nation to country and may take into account factors more than only the number of employees, such as turnaround and assets. (UN-Department of Economic and Social Affairs [DESA], 2020: 3). MSMEs in Nigeria are described by the World Bank's definition (see Table 1).

Table 1: Classification of MSMEs in Nigeria

S/NO	SIZE CATEGORY	EMPLOYMENT	ASSETS (₦ MILLION) (excl. Land and buildings)
1	Micro enterprises	Less than 10	Less than 5
2	Small enterprises	10 to 49	5 to less than 50
3	Medium enterprises	50 to 199	50 to less than 500

Source: Adapted from SMEDAN & NBS (2013).

The number of MSMEs in low-income countries worldwide is estimated to be between 365 and 445 million (UN-DESA, 2020). The MSMEs make a considerable contribution to the economies of these nations in terms of creating jobs, and they provide a means of subsistence for the people at the bottom of the pyramid (UN-DESA, 2020). About 38 million MSMEs, or 80–84 per cent of Nigeria's workforce, are found there (PWC, 2020; Federal Ministry of Industry, Trade, and Investment [FMITI], 2021). According to the FMITI, MSMEs contribute equally to up to 48.5% of Nigeria's GDP and around 7.27% of its exports of products and services (FMITI, 2021).

As a result, MSMEs play an important role in economic development in Nigeria as well as other emerging nations. However, the bulk of those employed by MSMEs work in the unorganized sector of the economy and is not covered by social security (UN-DESA, 2020). Because of the prevalence of informal employment, especially in developing nations like Nigeria, MSMEs are more likely than any other type of business to be badly impacted by economic shocks.

Indeed, research has revealed that MSMEs have struggled to deal with the effects of economic crises (Dhochak & Sharma, 2015; Mason & Harrison, 2015; Cowling, Liu & Ledger, 2012; Lathan, 2009; Michael & Robbins, 1998). According to Dhochak and Sharma (2015), crises undermine MSMEs' projects and stunt their progress since they have a detrimental impact on every aspect of the external environment that surrounds these businesses. Numerous reasons have been given for this, including a lack of financial clout, high transaction costs, and a lack of administrative and technical expertise (Domac & Ferri, 1999; Demirgüç-Kunt et al., 2005). Typically, MSMEs have been the most impacted enterprises by economic shocks or crises (Robbins & Pearce II, 1993). As a result, it is reasonable to assume that MSMEs were severely impacted by the economic crisis brought on by the NPIs during the COVID-19 epidemic because these businesses typically depend on daily sales and other forms of revenue to survive.

Research has shown that containment strategies like lockdowns to prevent the COVID-19 disease from

spreading in Nigeria have harmed MSMEs (Lakuma et al., 2020; NBS, 2020; Oyewale, Adebayo & Kehinde, 2020; HRW & JEI, 2021; UNDP & NBS, 2021). For instance, Lakuma, et al. (2020) found that, in comparison to medium and large businesses, the impact of the reduction in economic activity was greater on micro and small organisations. They claimed that this might be because micro and small businesses are unable to implement preventive health measures including offering hand sanitisers, running water, and soap and ensuring physical separation between employees and clients.

A separate investigation that examined the effects of COVID-19 on MSMEs in all 36 states of Nigeria found that the majority of those polled (94.3%) claimed that the lockdowns harmed their companies' cash flow, sales, and revenue (FATE Foundation & BudgIT, 2020). The UNDP and NBS (2021) study revealed that lockdowns and travel restrictions in Nigeria had an impact on a variety of business-related aspects and elements, including operations, sales, revenue, finances, workforce, and business owners' perceptions of the future of their companies and the broader business environment. According to the study by Oyewale, et al. (2020), MSMEs operating in diverse economic sectors were affected differently by the COVID-19 pandemic. For instance, their research showed that while non-agricultural businesses saw reduced sales as a result of the partial lockout, the food and agriculture industry saw relatively consistent levels of sales during the same period.

MSMEs in Nigeria who depend on daily collections and operate in the informal sector have generally been hardest hit. As was already said, the informal sector, which relies on daily subsistence, accounts for up to 80% of the Nigerian economy. Numerous people lost their jobs in the informal sector as a result of the Nigerian government's NPIs, and by the end of 2020, the jobless rate is predicted to reach more than 35% (UNDP, 2021).

The Significance of Dynamic Capabilities Theory on MSMEs

In strategic management research, dynamic capabilities have risen to a substantial level of significance

(Rashidirad, & Salimian, 2020). Teece, Pisano, and Shuen (1997) developed the dynamic capacities hypothesis, which was strengthened by Prahalad and Hamel's work (1990). Teece (2017) observed that whereas dynamic capabilities have been focused on doing the right thing in regards to the creation of new products (and systems), a successful management process, a way of life that evolves, and a fair assessment of the commercial conditions and technological trends at the appropriate time, dynamic capabilities were mainly about businesses wellness. Strong, dynamic capabilities are therefore possessed by a select few, not by a large number of people (Teece, 2017). In particular, during periods of uncertainty and instability, dynamic capabilities and strategic management look at how the company might transcend sustainable competitive advantages. The discussion over corporate sustainability commitments has grown as a result of ongoing disputes (Wu, 2017). Fortunately, dynamic capabilities do not just appear overnight; rather, they are typically the result of exposure to and experience inside an organisation (Kuuluvainen, 2012). An organisation with strong dynamic skills could stay ahead with quick innovation and distinctive business models (Schoemaker, Heaton & Teece, 2018; Cuervo-Cazurra et al., 2020).

The importance of dynamic skills has recently been emphasised due to the international economy's increased accessibility and the characteristics of innovation and production's increased geographic and organisational diversity (Teece, 2011; Kuuluvainen, 2012). According to research by Salunke et al. (2011), organisations consciously employ, build, expand, and modify processes to create and enhance vital dynamic capacities. When used for purposes other than the application, dynamic capabilities can be effectively divided into three main action clusters: i. identification, development, co-development, and assessment of technological opportunities with customer needs (sensing); (ii) mobilisation of resources to address needs and opportunities and to capture value from doing so (seizing); and (iii) continued renewal (transforming)" (Teece, 2017b).

According to Rezazadeh, Karami, and Karami (2016), the reconfiguration capability refers to an organization's ability to reshape or transform new resources to meet

the sustainability goals of the rapidly evolving business environment. This definition is centered on the expanded connotation of the dynamic capabilities of Amit and Schoemaker (1993). The importance of organisational culture as a component of entrepreneurship connected to dynamic capability has received significant scholarly attention (Hock, Clauss & Schulz, 2015; Gudmundson, Tower & Hartman, 2003; Leskovar-Spacapan & Bastic, 2007; Liao, Kickul & Ma, 2009; Duh, Accordingly, Violinda and Jian (2016) have found that the corporate structure and dynamic capacities of cooperatives in China considerably and favourably influenced their competitive advantage. The key components of strategic direction are undoubtedly essential components of dynamic capacities and adaptable ability, according to a survey of 380 organisations (Zhou & Li, 2009). Similar to Zhou and Li (2010), Kaur and Mehta (2017), and Tseng, Chang, and Chen (2019), these authors have discovered evidence to substantiate their views that strategic orientation is a dynamic competence in an organisation.

Technology orientation is addressed by the dynamic capabilities approach, which emphasises that technological competence is not readily available but instead results through activities that generate value including innovation and research, continuous education, and the coordination of organisational resources (Teece, 2017, Hakala & Kohtamki, 2011, Zhou & Li, 2007, Gatignon & Xuereb, 1997). Additionally, Rezazadeh, Karami, and Karami (2016) asserted that for businesses to survive with higher levels of technological turbulence, Resources should be allocated for breakthrough technologies, novel technology advancement and incorporation must be tested, and technological uncertainties and approaches must be managed (Srinivasan et al., 2002). Additionally, Arifin and Frmanzah (2015) found that senior management teams who supported "hardware" content and promoted "software" competence of businesses were more successful in establishing sustainable technology adoption in their organisations. Furthermore, in terms of prospective business structures, the framework specifically describes the anticipated control-related attempts for further procedures involving four administrative management control activity methods, such as financing, diversity, information, and creativity. Teece (2018) also pointed

out that specific business models, target markets, and go-to-market strategies were chosen over all other strategic assessments due to the interconnectedness of the business model, dynamic capabilities, and strategy. Business model studies have been established as an avenue linking a component to the ongoing development of the field of strategic management literature, according to Ritter and Lettl's (2018) research. According to Teece (2017), adaptively capable firms would be dynamic and able to quickly change, test, and reorganise new and revised business models. This is why dynamic capabilities promote business models. This is a straightforward method to see any organisation. "A model of business (enterprise system) can be constructed as (1) overhead activities beyond (2) changing open-system; and the open-system share obtains material, capital, and workforce resources from the economy, transform them into goods or services, and then sell the goods and services within the marketplace of the economy. This would further enhance the sustainable growth of MSMEs. Because of this, it would be important to relate the dynamic capacities theory to the innovative components of organisational culture, strategic orientation, technology orientation, and strategic business model in addition to innovation competitive advantage and sustainable growth of MSMEs.

Methodology

The effects of the COVID-19 lockout on MSMEs' operations, marketing, and income were examined using a combination of qualitative and quantitative research methods. To get a sample of the opinions of Nigerians living in the southwest of the nation, we employed a semi-structured questionnaire. The questionnaire assisted in gathering concise and codable answers and provided an in-depth analysis of the subject matter. Given the size of the research population, the Google form was a useful tool for randomly selecting responses, giving everyone an equal chance of being included. With the aid of this approach, the researcher was able to adequately address the study issues and comprehend the effects of the COVID-19 lockout on MSMEs in Southwest Nigeria.

The study population was all the MSMEs (9,602,249) and their employees (14,997,184) in the study area.

However, for this research, the study's sampling frame consisted of only formal owners of MSMEs and their employees. Consequently, business registration with the Corporate Affairs Commission (CAC), employment size of a minimum of 10 employees, and other eligibility criteria for MSMEs were the criteria for inclusion in the study.

Respondents were recruited based on these criteria – ownership/employee of MSMEs in Southwest Nigeria, registration with CAC, and a minimum of 10 and maximum of 49 employees. The survey was designed to preliminarily request a prospective respondent to provide answers to these criteria questions and the answers provided determined whether an individual could participate or not in the survey. Consequently, the survey was designed such that it would automatically lock out prospective respondents not meeting the criteria.

Furthermore, 60 respondents' employees of MSMEs were recruited through a snowball sampling to participate in the FGDs. For the FGDs, three states Lagos, Ogun, and Oyo – were purposively selected from the study area. These states were selected because they had the highest number of MSMEs employees in the study area. Thus, twenty (20) respondents were recruited from each of the three states and six (6) FGDs (2 in each state) involving 10 respondents per group conducted in the states.

Moreover, 18 respondents were recruited through purposive and snowball sampling for Personal Interviews (PIs) with business owners in the study area. To do this, the researcher got some respondents through his networks and got other respondents through referrals from the first set of respondents. 7 interviews were conducted in Lagos, 4 in Ogun state, 3 in Oyo state, and 2 each in Ekiti and Ondo states.

Result and Discussion

Lockdown Impact on MSMEs Operations, Sales and Revenue

In this section, we discuss how the COVID-19 lockdowns impacted the operations, sales as well as revenue and finances of MSMEs in the study area. As expected, a significant majority (63) of the respondents reported that their enterprises closed down because of the directives related to containment measures against the COVID-19 pandemic in the country (See Figure 1). A decline in raw materials supply was another major reason why most enterprises, especially those producing essential goods, had to close down during the lockdowns. Loss of working capital, lack of sales, selling at a loss, and several other reasons accounted for the closure of many other enterprises surveyed (See Figure 1).

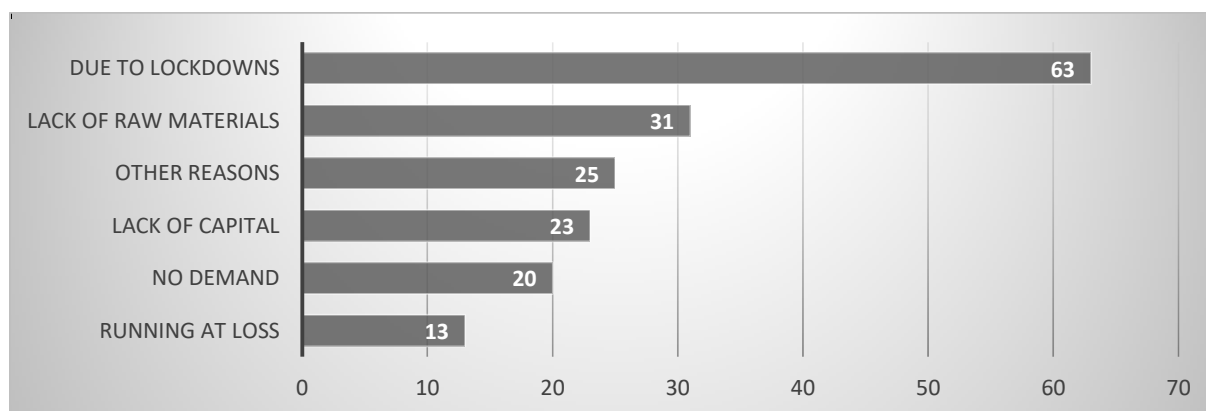


Figure 1: Reasons for business closure

Data gathered from the interviews confirmed similar reasons as from the survey for business closure during the pandemic lockdowns. For instance, Pastor Odunyemi Odunayo of Yemi and Yide Enterprises said:

When the lockdown started we were still selling. But at a point, it became extremely difficult to get supplies despite government directives that those transporting food items should be allowed to move freely. At that point, we needed to close down the shop and asked our staff to stay at home since there was no way we could

be paying their salaries. Even now, things have not got back to what they were before the lockdowns due to the high cost of doing business. So, we have only been able to call back just two of the six staff we laid off during the pandemic (Interview with Pastor Odunyemi Odunayo, 10 August 2021).

Another interlocutor, Dr Dele Oyeku of Kisy Christian Enterprises, lamented:

The major problem we had, poultry farmers, during the lockdown had to

do with getting poultry feed. We lost many of our birds to the lockdown and had no choice but to ask some workers to go and others placed on half salaries. We are just trying to come back now because we got a facility from NIRSAL Microfinance Bank (Interview with Dr Dele Oyeku, 13 September 2021).

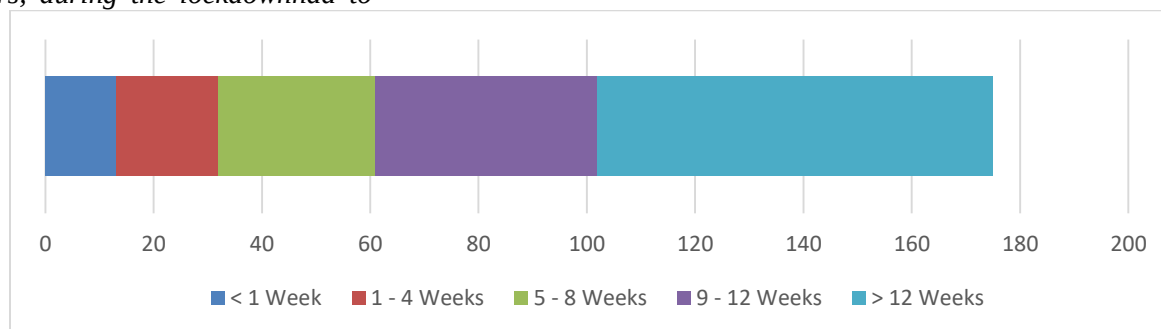


Figure 2: Duration of business closure

The duration of closure varies across enterprises. But, as indicated in Figure 2, a significant majority of businesses closed for between two to three months, in line with the lockdown directives and ease of restriction on movement in the country. Overall, findings showed

that the lockdowns disrupted MSMEs operations and negatively affected the livelihoods of both business owners and employees. Many said, up till the period of carrying out this study, they had not fully recovered from the shocks of the pandemic.

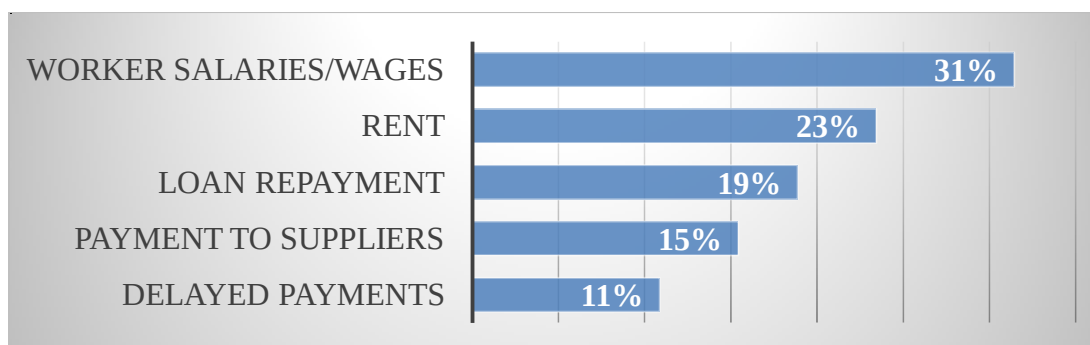


Figure 3: Financial problems faced during lockdowns

Furthermore, participants were asked to mention the most significant financial challenges their enterprises faced during the pandemic lockdowns. A majority (31%) of them mentioned challenges having to do with the payment of workers' salaries; this is followed by rental costs or payment at 23%. Loan repayment was mentioned by 19% of the participants, while 15% of them mentioned challenges relating to payment to their suppliers and 11% of surveyed respondents identified delays in payments on receivables as the major

financial challenge their establishments faced during the lockdowns (See Figure 3).

A significant majority of participants in the study said they had to rely on more traditional means of financing such as asking for financial help from relatives and friends to cope with their financial challenges during the lockdowns. Most of them said they had little or no savings to dip into and needed to rely on these social networks to survive. Some highlighted how their operations depended more on communal solidarity.

Table 2: Most significant impact of COVID-19 on MSMEs

	Frequency	Per cent
A decline in sales revenue	22	13
Halt in business activity	15	9
Increase in cost of transportation	33	19
Increase in cost of raw materials	29	17
Lockdown	57	33
Reduced hours of operation	19	11
Total	175	100

Source: Field Survey, 2021

Participants were asked to identify the most significant sources of the negative impact of the COVID-19 pandemic on their enterprises. As indicated in Table 2, a majority (33%) of those who participated in the online survey mostly mentioned the lockdown or restriction on movement as the major cause of disruption to them and their businesses, while at 19% and 17%, an increase in transportation and raw material costs were second and third reasons respectively. Similar reasons were identified from the interviews. For example, Mrs Olamide Oyewale, a vegetable farmer in Egbeda, Ibadan, lamented:

The restriction on movement last year caused a lot of disruption to my business, just like other farmers around. While the lockdown directives said farmers should be allowed to move freely, the reverse was the situation. To get to your farm, you must bribe your way every day. Apart from this, and maybe for the same reason, transportation costs went skyrocketed. What we used to move for about 2,000 Naira before the lockdowns went as high as 8,000 Naira during the lockdowns. The same thing happened to the cost of seedlings. Do not forget that we were entering the new farming season when the lockdown was announced. Many of us were least prepared and had to be scampering to get seedlings. And you know, in our society, when the price goes up, it may never come down again. We are here today just by the grace of God (Interview with Mrs Olamide Oyewale, 11 August 2021).

However, businesses in the non-essential sector of the economy suffered more from the restriction on movement while the decline in sales revenue was general to businesses in all sectors of the economy.

Conclusion and Recommendations

The study set out to examine the negative impact of the containment measures against the COVID-19 pandemic on micro, small and medium enterprises (MSMEs) in the Nigerian southwest. Consequently, the study investigated the impacts of lockdowns and restrictions on movement imposed during the COVID-19 pandemic on MSMEs and the coping strategies adopted by the business during the lockdowns.

The operations, sales, revenue, and financial situation of MSMEs in the research area were influenced by COVID-19 lockdowns. The majority of businesses shut down as a result of regulations relating to national COVID-19 pandemic containment efforts. One of the main causes of the majority of businesses, especially those making important items, having to shut down during lockdowns was a decrease in the supply of raw materials. Many other examined businesses were shut down for a variety of reasons, including loss of operating capital, lack of sales, selling at a loss, and others. Overall, the research indicated that lockdowns disrupted the operations of MSMEs and adversely impacted the livelihoods of both employers and employees. Until the time of conducting this study, many MSMEs were still struggling to recover from the shocks of the pandemic.

Based on the study's findings, the following suggestions are made:

- i. Governments at all levels federal, state, and local as well as development partners—must continue to support and facilitate the business of

MSMEs to ensure they remain strong and in a position to keep sustaining the economy.

- ii. The federal government of Nigeria should improve on the COVID-19 support towards owners and employees of MSMEs while other layers of government should further make similar provisions for safe jobs and the economy of the country.
- iii. To ensure that businesses are properly prepared, there needs to be clear and timely communication about any potential mitigation measures against pandemics or other crises.

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