



COVID-19 AND ITS IMPACT ON LIVELIHOODS: A REVIEW OF EVIDENCE FROM NIGERIA

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Abstract

The COVID-19 pandemic made many households in Nigeria to experience economic shock to livelihoods. This paper reviews the impact of COVID-19 on livelihoods, particularly on households' economic activities, assets, and capabilities. It also identifies and examines the coping strategies used to mitigate or manage the effect of the pandemic, which include personal coping, social and institutional support mechanisms.

Keywords: Covid-19, Livelihoods, Households, Nigeria

Introduction

The outbreak and the spread of the COVID-19 virus created socio-economic challenges. The virus that transmits from a person to persons through small droplets produced while coughing, sneezing, talking or touching contaminated surfaces (Qazi et al., 2020; Zhong et al., 2020). This is perhaps because the various government efforts to curtail the spread of the virus at a time were limited, and the people living in poverty whose depend on certain economic activities for survival were affected the livelihood. (Afolabi & Olatayo, 2021; Gerard, Imbert, & Orkin, 2020; Ouko et al., 2020; Onokerhoraye et al., 2021). The effect has been unequal across household's social and economic factors (Adams-Prassl, Boneva, Golin, & Rauh, 2020). However, the rural and urban poor households the most affected group at a variant proportion. (Mobarak & BarnettHowell, 2020; Ravallion, 2020).

However, in order to contain the spread of the COVID-19 pandemic, many developing and developed economies in the world include Nigeria implemented measures to manage the spread of the virus.

Nevertheless, globally, there were growing concerns that those measures could also have unplanned social and economic consequences on people living with poverty (World Bank, 2020). Thus, the concern would be more in Nigeria, which has (about 83 million) people living below the national poverty line (World Bank, 2020).

While the impact of the COVID-19 pandemic on Nigeria is the subject of a growing number of studies, the aim of this review is to examine the COVID-19 pandemic and its impact on livelihoods (capabilities, assets and means of making economic activities).in Nigeria.

Literature Review

COVID-19 pandemic and livelihoods

The COVID-19 pandemic has stressed the households' livelihoods because of government measures that have negative impacts on poor urban households (Ojogiwa & Akinola, 2020). For instance, Nigeria Economic Summit Group (NESG, 2021) reported a negative change in the households source of livelihoods; particularly the women's livelihoods that affected by the COVID-19 responses (Hunter, Abrahams, & Bodlani, 2022).

Livelihood Activities

One of the threats to Nigerian economy during the COVID-19 pandemic is the threat of loss of employment, businesses, and livelihoods among households. Many jobs were lost (Marshal, Nkwadochi, & Emmanuel, 2020; UNDP, 2020) because of COVID-19 restriction. Studies have investigated the COVID-19 impact on job security. For instance, a National-level survey reported 42 per cent loss of jobs during the restriction (World Bank & NBS, 2020a; 2020b; 2020c). Similarly, the work of Dasgupta and Robinson (2021) also revealed that more than 40 per cent of loss of jobs was due to COVID-19 restrictions.

In rural areas, the interruption of markets and agro-food supply chains due to COVID-19 restriction put the livelihoods of self-employed and daily-paid workers at risk (FAO, 2020) as well as some of the urban households that rely on informal employment for their basic needs (Blekkings, Waldman, Tuholske, & Evans, 2020; Corburn et al., 2020). Therefore, since most of the households working in the informal sectors fall within the poverty line of \$1.9 per day (Omobowale & Omobowale, 2019), they remain vulnerable to economic and structural shocks such as the COVID-19 pandemic. Consequently, the COVID-19 pandemic is said to have increased unemployment rate (Orhero & Oghuvbu, 2020). For example, Nigeria had an unemployment rate of 23.1 per cent in 2018, with a projected rate of more than 35 per cent by the end of 2020 (NBS, 2019, UNDP, 2020).

Livelihood Assets

The COVID-19 worsened the financial condition of households due to falling in income earnings because of loss of jobs, a drop in sales and reduction in salaries (Abubakar, Abba, Khalil, Bello, & Bello, 2021; Andam, Edeh, Oboh, Pauw, & Thurlow, 2020; Balana et al., 2020; Bundervoet, Dávalos, & Garcia, 2022; Danladi, 2021; Jonjon, 2021; NESG, 2021; Obayelu, Obayelu, Bolarinwa, & Oyeyinka, 2021; Orhero & Oghuvbu, 2020; Otache, 2020; World Food Programme, 2021). These challenges have negative consequences on income

earnings, savings, and consumption expenditure of households. In this situation, income shock led to a contraction in consumption, which also reduced expenditure for food by most urban dwellers than rural people.

Moreover, the closure of schools created negative effect on staff, pupils and the students (Yahaya, Montiliat, & Salahudeen, 2020), which makes many young people idle (Omotayo & Awoyem, 2021). According to the United Nations Education, Scientific and Cultural Organization (UNESCO), about 35.9 million (91 per cent) primary and secondary school students in Nigeria were affected because of the lockdown (Adelakun, 2020) of which 84 per cent were public school students (Obiakor & Adeniran, 2020). However, adult members of the households had the opportunity to learn at home due to the lockdown (NESG, 2021). In addition, most of households did not visit a health facility during this period for fear of contracting the virus. Besides, even the medical personnel reduced the numbers patients they attended to due to Covid-19 protocols.

Livelihood Capabilities

The loss of employment during the pandemic affected the basic needs of Nigerians, especially, the poor urban households who depend on daily economic activities (Oloko & Ekpo, 2021). Most households experienced declined in food intake (Balana et al., 2020; Itheme et al., 2020; Obayelu, Obayelu, Bolarinwa, & Oyeyinka, 2021; Odii et al., 2020; Olomola, 2021). These is due to inadequate finance (Odii et al., 2020; Olomola 2021), increase in the cost of food items and transportation (Amare, Abay, Tiberti, & Chamberlin, 2020; Aromolaran & Muyanga, 2020; Kudaisi & Olomola, 2021; Obayelu, Obayelu, Bolarinwa, & Oyeyinka, 2021; Odii et al., 2020). Kudaisi and Olomola (2021) argue that the decline in food intake was due to closure of markets and restrictions of movement. For Amare et al. (2020) it was due to the lockdown. However, a survey conducted by the National Bureau of Statistics (NBS) shows that 51 per cent of the Nigerian experienced a reduction in food consumption as result of the pandemic lockdown. NESG (2021) reported 57.8 per cent drop in

the food consumption in Nigeria. Likewise, Balana, et al. (2020) revealed that about 66 per cent of households experienced a reduction in food consumption.

In the mid of 2020, food shortages and insecurity (for 7 million) were predicted by UN Food and Agricultural Organization (FAO) in 13 states in Nigeria (AgroNigeria, 2020). This prediction goes in line with the work of Balana et al. (2020); Ibukun and Adebayo (2020) and Otache (2020) that point out that household's food security situation in Nigeria is been worse COVID-19 pandemic. Non-farm households also experienced fall in food security (Aare, et al., 2021).

Coping Strategies

Households cope with pandemic by means of coping strategies such as personal, social and institutional support coping. Reduce food consumption, savings, and borrowing or grocery shop credit are three dominant personal coping strategies (Koos, Hangoma, & Mæstad, 2020). Nevertheless, Oyewale, Adebayo and Kehinde (2020) noted that the total lockdown negatively affected the coping strategies to the extent that some households resorted to negative coping strategies such as distress sale of assets, taking out loans from informal moneylenders or child labor (FAO, 2020). Some also got social support from relatives, friends, and neighbors, the

institutions, government and non-governmental organizations.

However, the palliative measures offered by the Government to minimize the effect of COVID-19 pandemic were ineffective due to poor coordination, human right violations and inadequate fiscal policy (Awofeso, & Irabo, 2020). The beneficiaries were estimate to be 3.6 million who depend on daily wage and persons with disabilities whose means of livelihood were negative affected by Covid-19 restrictions (Njoku, Ebiri, Olumide, Musa, & Agboluaje, 2020).

Conclusion

This paper reviews the impact of COVID-19 on livelihoods particularly on households' livelihood activities, assets and capabilities. It points out that the COVID-19 pandemic affected employment, income, food security, businesses, health and education of households in Nigeria. Because of its negative impact on households' livelihoods, it observed that people sorted for coping strategies. Thus, the paper also identifies and examines coping strategies, which include personal, social and institutional support coping such as food support, cash transfer and social supports from governments and philanthropists.

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