Nigerian economic policy response to COVID-19: An evaluation of policy actors’ views

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Abstract
COVID-19 has caused economic hardship globally. Several economies are making efforts to cushion these negative effects. Following the lockdown and downward trend of global oil prices, the Nigerian economy has been hard hit. This paper sheds light on policy actors’ views vis-à-vis what should be the economic policy response of the Nigerian government to cushion the effects of COVID-19 and ensure quick economic recovery. A multistage random sampling method was used to select and interview 635 policy actors drawn from academia/research institutes, civil society organizations, development partners, international NGOs, national NGOs, the private sector, and the public sector. The study adopted a participatory development approach. Descriptive and deductive analysis methods were used. The results support direct cash transfers to households, and small and medium scale enterprises (SMEs) as the policy option that would have huge impact in mitigating the economic effects of COVID-19 in Nigeria. The second most recommended policy option is the eradication of corruption among government officials. The paper recommends that pragmatic actions towards eradicating corrupt practices among government officials should be an integral part of any economic recovery policy in Nigeria and other emerging economies.

KEYWORDS
#EndSARS, Corruption, Economic impact, food aid, Gender, Social science
INTRODUCTION

Coronavirus 2019 (COVID-19) caught the world completely unprepared. It started in Wuhan, China and quickly became a global pandemic with no available and proven medical treatment at the onset. COVID-19 has already caused tangible economic damage globally and has spread hardship worldwide, especially in Africa. COVID-19 can be referred to as a contagion both economically and medically. This economic contagion continues to adversely affect macroeconomic indicators. If the intensity and fast rate of the spread of these adverse macroeconomic effects remain unchecked, it has the capacity of derailing the world—causing recession, economic shocks and uncertainties in the global economy (Baldwin & Weder, 2020). Though COVID-19's effects are still developing, it is likely that the long-term impacts will be worse than the other post-war pandemics, especially in African oil-resource economies. This is evident, considering the fall in oil prices occasioned by the pandemic. Oil revenue constitutes a major source of government revenue in Nigeria and other oil-resource economies in Africa (Kilian & Hicks, 2013). The Economic Commission for Africa (ECA) cautioned that the unfolding COVID-19 crisis could significantly dent Africa’s already stagnant growth with oil exporting nations losing up to US$65 billion in revenue as crude oil prices continue to fall (United Nations, 2020).

In an attempt to contain and slow the spread of coronavirus, both the federal and state (subnational) governments of Nigeria imposed restrictions on citizens, as did many other nations of the world. These restrictions were announced on Sunday, March 29th 2020 and the measures included: restrictions on vehicular and human movement within and across the country, economic activities, as well as social and religious activities. Meninno and Wolf (2020) noted that these restrictions will have dire economic consequences to the domestic economy and trade given that face-to-face contact has always been an effective part of many businesses all over the world; especially in less developed and emerging economies.

Thus, these containment measures are envisaged to negatively impact the national and global economy through shocks in macroeconomic and microeconomic indicators. It is expected to affect consumers and financial market confidence, affect production and the supply side of the economy. This may cause deficient or negative supply and demand shock, causing output to fall and lead to a cycle of deficient demand, as the masses will have less cash balances (Boone et al., 2020; McKibbin & Fernando, 2020).

International Labor Organization (2020) estimates indicate an increase in global unemployment of between 5.3 million (“low” scenario) and 24.7 million (“high” scenario) from a base level of 188 million in 2019. The “mid” scenario suggests an upsurge of 13 million (7.4 million in high-income countries). Though these estimates remain uncertain, all figures depict a substantial rise in global unemployment. In contrast, the global financial crisis of 2008–2009 increased unemployment by 22 million. The service sector which employs 47% of the labor force in Nigeria (World Bank Report, 2019) may be adversely affected since activities in restaurants, entertainment industries, sports and civil service sectors were also restricted as part of control measures against COVID-19.

The United Nation Development Programme (2020) asserts that the primary reason for the economic downturn resulting from COVID-19 is due to the non-pharmaceutical interventions (NPI's) imposed by governments across the world to contain the spread of the COVID-19 pandemic. The effects of the COVID-19 outbreak and the measures to control its spread have damming consequences on the economy. These culminate in reduction in the number of hours worked, uncertainty in income for laid-off workers and most unskilled labor in irregular
employment, reduced income flow for service, travel and tourism sectors. All these negatively affect the consumer cash balances as a result of shocks in the supply chain. Calderon et al. (2020) assessed the economic impact of COVID-19 and policy responses in sub-Saharan Africa. The study noted the virus has taken a toll of human life and disrupted economic activities globally including the three largest economies in the region—Nigeria, South Africa, and Angola. COVID-19 is expected to show negative impacts on household welfare, increase food insecurity as supply chains experience disruption, create more fiscal deficits and a likelihood of Recession.

Consequently, it is important to consider the economic policy choices available to the government for cushioning the impacts of the lockdown and containment measures to revert the economy to normalcy after the outbreak. Countries that have experienced an economic crisis adopted several measures depending on the specifics and the nature of the crisis (Bibow, 2013). However, most adopted solutions aimed toward public expenditure, regulating private institutions, increasing taxation and enhancing public and private employment. Public-sector driven recovery strategies will require increased government expenditure to enhance redistribution of income into different sectors to improve overall employment. On the other hand, private-sector driven recovery initiatives will require suspension or cuts in taxation, availability of low-cost loans, increases in subsidies, and general reduction in government expenditure. These hypothetical extremes may be adopted with varying degrees of combination depending on the economic policies in different countries (Crotty, 2012). The issue of reduction in taxation can be dicey, as reduction in taxation means reduced government revenue to be redistributed, while increased taxation means reducing peoples’ fiscal balances and increasing austerity (Wahrig & Vallina, 2011).

This paper, therefore, sheds light on the views of relevant policy actors, specifically what they think should be the economic policy response of the Nigerian government to cushion the adverse effects of COVID-19. The study put aside the obvious need to respond to the health crisis itself and focused on ascertaining policy options available to the government of Nigeria that will have significant impacts in mitigating the economic effects of the COVID-19 economic crisis in the country. Following a participatory development strategy, the paper examined the popularity of the government’s option of borrowing money from international and multilateral development partners to support an economic recovery given the adverse effects of the coronavirus crisis. At the peak of the pandemic, the federal government of Nigeria approached the International Monetary Fund (IMF) for a US$3.4 billion Rapid Financing Instrument (RFI) as an emergency financing package to help alleviate the impact of the COVID-19 pandemic and the sharp fall in oil prices (International Monetary Fund, 2020). The paper also examines the maximal public debt the policy actors would be willing to tolerate for economic recovery in Nigeria. The views of the policy actors were considered in three categories namely sectorial, professional career, and gender.

LITERATURE REVIEW

The economic effects of past epidemics provide little guidance for the impact of COVID-19 and postcrisis recovery strategies (Financial Stability Board, 2020). However, Milton Friedman’s plucking model and Joseph Schumpeter’s theory of creative destruction could provide viable directions for economic recovery from the COVID-19 pandemic.
Milton Friedman in his 1964 paper, which he revisited in Friedman (1993), introduced an economic recovery model during crisis. He posits that during the rapid recovery phase, output returns to its original trend. Simply put, like a guitar string, the harder it is plucked, the faster it would come back. Nevertheless, getting the economy in the previous form of prerecession level of activities, during recoveries, might require the stimulating force of another and bigger recession to trigger a rapid economic growth rate. The plucking model assumes that recoveries are not dependent on the size of the preceding boom and that the size of the recession predicts the growth rate of the recovery. In the same vein, Hamilton (1989) modeled output (economic activity) as a stochastic trend that undergoes Markov switching between positive and negative drift rates. Mean analysis of the reversion would show that the shock has no long-run impact as the economic recovery shape of such economies are V-shape.

As a counterpart to the plucking model, Joseph Schumpeter in his 1942 paper titled, “Capitalism, Socialism and Democracy” examined economic recovery after crisis from analysis of the business cycle (which includes the financial cycle). The gale of creative destruction, according to Schumpeter (1942), describes the process of industrial imitation that continually revolutionizes the economic structures from within by crowding out the old structures and creating new ones. Recession here contributes towards the high productivity and output growth in the form of economic recovery by cleansing the economy of inefficient firms. The plucking model is supported by Caballero and Hammour (2005), and Korotayev et al. (2011) and can be seen in other long cycle research works. For instance, Gali and Hammour (1993) found evidence, in the medium term and long term, that high productivity growth could be as a result of recession.

Thus, Milton Friedman’s plucking model and Joseph Schumpeter’s theory of creative destruction suggest that several economies will recover from the COVID-19 crisis—some will emerge stronger while some will emerge weaker. However, the rate of recovery and strength of the emerging economies will be a function of multiple factors including, among other things, the type of policies introduced by the country. Several studies have examined policies employed by different countries for economic recovery. Some of them are discussed here.

Yurtsever (2011) highlighted the economic recovery strategies introduced by the European Union to recover from the global financial crisis, including: stimulus to enhance competitiveness, creation of green economy, restoration of confidence in the markets and alleviation of the social costs of the crisis, bailouts, and so on. In the same vein, the strategies employed for the recovery of the Malaysian economy after the Asian financial crisis of 1997–1998, included: restructuring in the financial and corporate sectors, the use of selective capital controls, and monitoring of short to medium-term economic indices. The selective capital controls objective was to usher stability in the exchange, restore control over monetary policies by lowering of interest rates and the support of a fiscal stimulus to fuel the domestic economy (Samuel, 2001). Prasad and Sorkin (2009) assert that to kick start economic recovery after the global financial crisis of 2008–2009, most of the G20 enacted economic stimulus plans. The study revealed that monetary policy acted as the first line of defense; however, because the policy interest rates were near to zero, monetary policy recovery plans were ineffective. The study concludes that preference should be given to fiscal policy plans as essential for economic recovery after a crisis period.

According to Lane (2020) the comprehensive package of monetary policy measures that the European Central Bank (ECB) governance decided on March 12, 2020, would include safeguard liquidity conditions in the banking sector, protect the continued flow of credit to the real economy and prevent the financial conditions from tightening in a pro-cyclical way. Lane
(2020) posits that these measures would soften the worsening financial conditions and pave the way for economic recovery. However, Norman and Steven (2020) note that the macroeconomic recovery response to the COVID-19 crisis in developing countries, for example Nigeria, may include both monetary and fiscal stimulus. In any case, given that the monetary policy transmission mechanism in most emerging economies often tends to be weak and fiscal multipliers are often small, the effectiveness of demand-oriented macroeconomic policy may be low in such countries. Constantino and Neumeyer (2020), in a conceptual framework used to analyze the economic impact of COVID-19 and its policy implications, explained the exigency of searching for effective policy alternatives given the peculiarities of a national economy.

RESEARCH METHOD AND MATERIALS

Given the widespread economic effects of COVID-19 in Nigeria, this study adopted a participatory development approach which is broadly described as an active involvement of individuals or stakeholders in making decisions about the implementation of processes, interventions, projects, and programs that affect the participants. The participatory development approach can also be described as the exercise of people’s power in thinking and acting in relation to intervention projects designed to benefit the participants (Oakley, 1991 as cited in Dinbabo, 2003; Slocum et al., 1995).

Thus, a participatory development approach requires allowing those affected in an economic development scenario to take part in the policy-making process (Guijt, 2014; Ojide et al., 2020). The study therefore interviewed key policy actors in different sectors of Nigeria. The key policy actors were randomly selected using a multistage sampling method. First, eight sectors considered to be directly and indirectly involved in policy formation in Nigeria were purposively selected. These sectors are: national Nongovernmental Organizations (NGOs), international Nongovernmental Organizations (INGOs), academia/research institutes, Civil Society Organizations (CSOs), private sector (members of business organization [MBO]), public sector, and development partners within the country. The senior or management staff (specifically, those employed with university degrees or Higher National Diploma) in these sectors were purposively selected. It was difficult to ascertain the actual population of these categories of workforce in all the selected sectors. However, based on the General Household Survey [GHS] (2011) as cited in World Bank (2015), which is captured in Figure 1, it was assumed that the population of these categories of workforce in the selected sectors is greater than 50 thousand persons. This is because Figure 1 depicts that, among 87 million Nigerians of working age, 26 million were inactive, 26 million were in self-employed agriculture, 17 million were non-agriculture self-employed, and 9 million were in the non-agriculture wage sector. Among the 9 million in the non-agriculture wage sector, 5 million were in the private sector while 4 million were in the public sector. On the basis of the distribution of the Nigerian workforce population, this study assumed that those who have university degrees in the eight selected sectors are greater than 50,000 persons. As a result, the sample size formula for infinite population—that is, where the population is greater than 50,000—was used to estimate the sample size for the study (Godden, 2004). The study adopted a 95% confidence level. The sample size formula is presented in Equation 1.
\[ SS = \frac{Z^2 \times (p) \times (1 - p)}{CI^2}, \]  

where \( SS \) is the sample size; \( P \) is the percentage of population picking a choice, expressed as decimal (in this case = 0.5); \( C \) is the confidence interval, expressed as decimal (in this case = 0.04), and \( Z \)-value (with is = 1.96 for 95% confidence level). Thus, the sample size determined for the study is 600 persons.

The third sampling stage was the purposive election of 12,045 qualified Nigerians (i.e., those workers who have university degrees) as compiled from the associations’ and official websites of organizations in the eight selected sectors. These qualified Nigerians, whose email addresses or mobile phone numbers were obtained, formed the sampling frame of the study. Random in-between tool (or formula) of Microsoft Excel was used to select 600 participants from the sample frame. However, an additional 20% of the sample size (120 participants) was also randomly selected to provide for possible non-responses. Thus, the questionnaire, presented in the appendix, was administered using SurveyMonkey (an electronic online survey software) to the 720 randomly selected potential participants. SurveyMonkey was used to reduce personal contact because the survey was conducted at the peak of COVID-19 in Nigeria. In addition, SurveyMonkey provided for easy monitoring of those who have responded and those who were yet to respond. Emails and phone messages were used to remind those who were yet to respond. This, perhaps, informed the high response rate recorded during the survey. The 1-month survey started on 30th March and ended on 29th April 2020. Incidentally, 635 responses were obtained within the period of the survey. All the responses, which is about 0.6% above the estimated sample size of 600, were used in the analyses.

The questionnaire was designed following the work of Ilzetzki (2020) to solicit for both quantitative and qualitative data. For emphasis, the first three questions centered on what the
participants would consider to have the greatest impact in mitigating the economic effects of the COVID-19 economic crisis in Nigeria. Questions four and five examined the popularity of the Federal Government borrowing option and the maximal public debt the participants would be willing to tolerate if used effectively to support economic recovery—following the need to mitigate the effects of the COVID-19 crisis. Questions six, seven, and eight identified the participants’ sector, career focus (social science or non-social science) and gender respectively. The last question allowed the participants to share any other general comments on what they think should be the economic policy response of the Nigerian government to cushion the adverse effects of the COVID-19 economic crisis.

Descriptive and deductive analyses were used to ascertain policy options available to the federal government of Nigeria that will have significant impact in mitigating the economic effects of the COVID-19 economic crisis in the country, popularity of government’s option of borrowing money from international and multilateral development partners to support economic recovery given the adverse effects of the COVID-19 crisis, and the maximal public debt the policy-stakeholders would be willing to tolerate for economic recovery in Nigeria. The responses of the policy actors were further examined for disparities within sectors, professional careers, and gender.

RESULTS PRESENTATION AND DISCUSSION

Out of the 635 respondents, 32% were non-social scientists while 67% were social scientists. The remaining 1% did not specify their career focus. It should be noted that, in the remaining part of the paper, missing responses explain cases where percentage distributions do not add up to 100%. Gender distribution indicates that 36% and 63% were female and male respectively. Among the female respondents, 23% and 77% were non-social scientists and social scientists respectively. On the other hand, among the male respondents, 37% and 63% were non-social scientists and social scientists, respectively. In terms of sectoral distribution of the policy actors, the majority of the respondents were drawn from the academia/research institutes (32%), private sector (27%), and public sector (18%). Coincidentally these three sectors, which contributed 77% of the responses in the survey, are three fundamental sectors in the national economic development discussion. Other responses were from Civil Society Organizations (6%), research institutes funded by government (4%), development partners (4%), international NGOs (3%), national NGOs (3%), and other unidentified sectors (3%).

POLICY OPTIONS FOR MITIGATING ECONOMIC EFFECT OF COVID-19 IN NIGERIA

As stated earlier, Questions 1, 2, and 3 centered on the policy options that could mitigate the adverse effects of COVID-19 on the Nigerian economy. Based on a review of the literature, some policy options particular to the Nigerian economy were identified and included for consideration. In any case, there was provision for the respondents to identify any other policy action not listed. The three questions are:

Question 1: Which of the following would have the greatest impact in mitigating the economic effects of the COVID-19 economic crisis in Nigeria?
Question 2: Which of the following would have the second greatest impact in mitigating the economic effects of the COVID-19 economic crisis in Nigeria?

Question 3: Which of the following would have the third greatest impact in mitigating the economic effects of the COVID-19 economic crisis in Nigeria?

The three questions were analyzed using a multiple response approach. The frequency result of the responses is presented in Table 1. A greater number of policy actors (about 22%) expressed support for direct cash transfers to households and SMEs (including local manufacturing industries) affected by lockdown policies as the greatest policy option to mitigate the economic effects of the COVID-19 crisis in Nigeria. This finding corroborates Norman and Steven (2020), Prasad and Sorkin (2009), Samuel (2001), and Yurtsever (2011), who argued that direct cash transfers are the right move to stimulate both the supply and demand sides of the

| Policy option                                                                 | Observation | Percent |
|------------------------------------------------------------------------------|-------------|---------|
| Direct cash transfers to households and SMEs (including local manufacturing industries) affected by lockdown policies | 410         | 21.8    |
| Eradicating corruption among officials of government                          | 268         | 14.2    |
| Provision of sufficient and stable power supply                              | 184         | 9.8     |
| 40% reduction on lending interest rate for 1 year starting from end-of-lockdown policies | 174         | 9.2     |
| Subsidizing Naira-Dollar exchange rate to local manufacturing for importation of inputs for 1 year starting from end-of-lockdown policies | 154         | 8.2     |
| Direct cash transfers of nonrepayable TraderMoni, MarketMoni and FarmerMoni* within the first 2 months after end-of-lockdown policies | 146         | 7.7     |
| Government bailouts of businesses affected by lockdown policies—including aviation, cargo and hospitality firms in Nigeria | 144         | 7.6     |
| 40% reduced on tariffs for importation of inputs by local manufacturing for 1 year starting from end-of-lockdown policies | 135         | 7.2     |
| Improved security                                                            | 66          | 3.5     |
| Tax holidays to SMEs (including local manufacturing industries) for 6 months starting from end-of-lockdown policies | 62          | 3.3     |
| Moratorium (suspension of repayment) on loans to private firms by 6 months beginning from end-of-lockdown policies—this is to ease pressure on loan repayments | 51          | 2.7     |
| Ending border-closure policies                                               | 48          | 2.5     |
| Others                                                                       | 21          | 1.1     |
| Repairs on major and minor roads in the country                              | 21          | 1.1     |
| Total                                                                        | 1884        | 100.0   |

Note: FarmerMoni, TraderMoni, and MarketMoni—are designed by the federal government of Nigeria to improve financial inclusion, and increase access to affordable credit. FarmerMoni is targeted at farmers/farming collectives to access loans up to N300,000. TraderMoni focuses on individual petty traders with loans starting at N10,000; while MarketMoni is for traders who access loans from N50,000 through their trading/market associations. *As of the time of this survey, 1 U.S. Dollar = 364 Nigerian Naira.
The second greatest policy option for mitigating economic effects of the COVID-19 economic crisis in Nigeria is to eradicate corruption among officials of the government (14%). This result is in line with Gyimah-Brempong (2002) who asserts that, directly and indirectly, corruption decreases economic growth. Moreover, this second policy action is related to the first. If the officials of the government who are supposed to implement the first policy option of direct cash transfers to households and SMEs or related interventions are corrupt, then the implementation will be mired by rent-seekers in government. The recent looting of COVID-19 ‘stored’ food aids in the Nigerian capital and in almost a third of the country’s 36 states in the aftermath of unrest sparked by antipolice brutality protests (tagged #EndSARS) is a clear case of distrust of the government and her agencies by citizens. The looters, who were mostly less privileged and vulnerable members of society, accused the government of misappropriating COVID-19 funds, which were largely contributed by some of the country’s wealthiest individuals and businesses. The government denied that the items (mainly bags of rice, noodles, and sugar), were being hoarded so they could be shared with their families and friends. Rather, they insisted that the contributed food items were kept for the vulnerable members of the society and in preparation for a possible second wave of COVID-19 infections in the country. However, these reasons were not accepted by many of the thousands of the less privileged and vulnerable people who did not receive any form of aid from the government in the months when the lockdown measures to limit COVID-19 spread stopped millions of Nigerians from earning their living. Some of the food aids were found in the homes of some government officials. One of such government officials, whose house was raided, asserted two days after the palliatives in his home were looted that he was planning to distribute the items on his birthday (British Broadcasting Corporation [BBC], 2020). Therefore, it is expedient that the government of Nigeria should take calculated steps to ensure the end of corrupt practices among the Ministries, Departments, and Agencies (MDA). The results further show that according to 9.8% of the respondents, provision of sufficient and stable power supply is the third greatest policy option the Nigerian government can explore to mitigate effects of COVID-19 on the economy. Other policy options as ranked by the respondents are listed in Table 1.

Presented in Table 2 are the policy options disaggregated by gender. There is consensus between female and male policy actors on what should be the greatest and second greatest policy options for economic recovery from COVID-19 crisis. These are direct cash transfers to

| TABLE 2 | Gender distribution of top five factors |
| --- | --- | --- | --- |
| Policy option | Female | Male |
| Direct cash transfers to households and SMEs (including local manufacturing industries) affected by lockdown policies | 1st | 1st |
| Eradicating corruption among officials of government | 2nd | 2nd |
| Subsidizing Naira-Dollar exchange rate to local manufacturing for importation of inputs for 1 year starting from end-of-lockdown policies | 3rd | - |
| Provision of sufficient and stable power supply | 4th | 3rd |
| 40% reduction on lending interest rate for 1 year starting from end-of-lockdown policies | 5th | 4th |
| Direct cash transfers of nonrepayable TraderMoni, MarketMoni and FarmerMoni within the first 2 months after end-of-lockdown policies | - | 5th |
households and SMEs, and eradication of corrupt practices among government officials. However, while the female respondents preferred subsidizing Naira-Dollar exchange rate to local manufacturing for importation of inputs for 1 year as the third policy option, the male respondents insisted that it should be the provision of sufficient and stable power supply.

There is also an obvious consensus between social scientists and non-social scientists as to what should be the order of policy priority, up to the fourth policy option, for economic recovery from COVID-19 in Nigeria. These are depicted in Table 3.

Generally, there was consensus among the policy actors in all the sectors, apart from development partners, on what should be the greatest policy action for economic recovery in Nigeria in light of COVID-19 economic recession (Table 4). Direct cash transfer to households and SMEs is the foremost preferred policy action. However, respondents from development partners insisted that the greatest policy action the government of Nigeria should take is the eradication of corruption among government officials. Aside from development partners and international NGOs, all other sectors opined that the second policy action of the government should be to end corrupt practices among its officials. Interestingly, respondents from international NGOs insisted that the second policy action should be direct cash transfers of non-repayable TraderMoni, MarketMoni, and FarmerMoni.

### Table 3  Top six factors identified based on career focus

| Policy option                                                                 | Non-social scientists | Social scientists |
|-------------------------------------------------------------------------------|-----------------------|-------------------|
| Direct cash transfers to households and SMEs (including local manufacturing industries) affected by lockdown policies | 1st                   | 1st               |
| Eradicating corruption among officials of government                          | 2nd                   | 2nd               |
| Provision of sufficient and stable power supply                               | 3rd                   | 3rd               |
| 40% reduction on lending interest rate for 1 year starting from end-of-lockdown policies | 4th                   | 4th               |
| Government bailouts of businesses affected by lockdown policies—including aviation, cargo, and hospitality firms in Nigeria | 5th                   | -                 |
| Subsidizing Naira-Dollar exchange rate to local manufacturing for importation of inputs for 1 year starting from end-of-lockdown policies | 6th                   | 5th               |
| Direct cash transfers of non-repayable TraderMoni, MarketMoni, and FarmerMoni within the first 2 months after end-of-lockdown policies | -                     | 6th               |

**POPULARITY OF FEDERAL GOVERNMENT BORROWING OPTION TO SUPPORT ECONOMIC RECOVERY GIVEN ADVERSE EFFECTS OF THE COVID-19 CRISIS**

Generally, 66% of the policy actors would not support the federal government to borrow money from international and multilateral development partners to enhance economic recovery given the adverse effects of the coronavirus 2019 crisis. They expressed concern about the rising debt
**TABLE 4**  Top three factors identified by different sectors

| Policy optiona | Academia/research institutes | CSO | Development partners | International NGO | National NGO | Private Sector | Public Sector | Research institutes funded by government |
|----------------|------------------------------|-----|----------------------|-------------------|-------------|---------------|--------------|------------------------------------------|
| Direct cash transfers to households and SMEs | 1st | 1st | 2nd | 1st | 1st | 1st | 1st | 1st |
| Eradicating corruption among officials of government | 2nd | 2nd | 1st | 3rd | 2nd | 2nd | 2nd | 2nd |
| 40% reduction on lending interest rate | 3rd | 3rd | - | - | - | - | 3rd | 3rd |
| Provision of sufficient and stable power supply | - | - | 3rd | - | 3rd | 3rd | - | - |
| Direct cash transfers of nonrepayable TraderMoni, MarketMoni and FarmerMoni | - | - | - | 2nd | - | - | - | - |

aThe full statement of the policy option is as stated in Table 1.
profile of the country. Related to external loans is the increasingly critical economic burden of debt servicing and repayment especially in light of economic sustainability (Akindele, 1986). Twenty-seven percent were in support of borrowing while 6% were neither against nor in support (Figure 2). A greater proportion of male respondents (31%) than female respondents (20%) was in support of the borrowing.

There is no obvious difference between the opinions of social scientists and non-social scientists in the popularity of the federal government borrowing option to support economic recovery given the adverse effects of the COVID-19 crisis. About 68% and 66% of the social scientists and non-social scientists, respectively, were not in support of the borrowing.

**LEVEL OF PUBLIC DEBT POLICY ACTORS WOULD TOLERATE IN SUPPORT OF ECONOMIC RECOVERY FROM COVID-19**

Given that Nigeria's debt-to-Gross Domestic Product (GDP) ratio was within the 25% debt limit set by the government (Akintola, 2020), the respondents were asked to indicate the maximum public debt they would be willing to tolerate if used effectively to support economic recovery from COVID-19. The majority (42%) insisted that the government should not take external loans for economic recovery from COVID-19. However, 29% and 9% would tolerate less than 25% and above 50% of debt-to-GDP, respectively. The same proportion (5% each) would tolerate 40% and 50% of debt-to-GDP while 8% had no opinion on the maximum public debt they would tolerate for economic recovery from COVID-19 (Table 5). It can be inferred that external borrowing for economic recovery from COVID-19 is not a popular option among policy actors in Nigeria.

Further analysis indicates that 47% of female respondents and 39% of male respondents maintained that the government should not take an external loan for economic recovery from COVID-19; while 25% of female respondents and 34% of male respondents prefer that such debt should not exceed 25% of debt-to-GDP. Table 6 depicts the disparities in views between social and
Almost the same proportion (about 30%) of social and non-social scientists opine that the Nigerian public debt profile should not exceed 25% of GDP. About 41% and 44% of social scientists and non-social scientists, respectively, maintained that the government should not resort to further external borrowing to support economic recovery from the COVID-19 pandemic.

In terms of sectors, Table 7 shows that the sector with the least proportion of those who are not in support of the external borrowing is the public sector (57%). Aside from the unidentified sector, the sectors with the highest proportion of those who are not in support is the national NGO (82%) followed by research institutes funded by the government (78%).

### TABLE 5
Maximal public debt policy actors would tolerate in support of economic recovery from COVID-19

| Public debt       | Frequency | Percent |
|-------------------|-----------|---------|
| <25% of GDP       | 189       | 30      |
| >50% of GDP       | 59        | 10      |
| 40% of GDP        | 32        | 5       |
| 50% of GDP        | 32        | 5       |
| Government should not take external loan | 260 | 42 |
| No opinion        | 52        | 8       |
| Total             | 624       | 100     |

### TABLE 6
Support federal government borrowing from international and multilateral development partners to support an economic recovery given adverse effects of coronavirus 2019 crisis—professional views

| Career focus     | <25% of GDP | >50% of GDP | 40% of GDP | 50% of GDP | Government should not take external loan | No opinion | Total    |
|------------------|-------------|-------------|------------|------------|------------------------------------------|------------|----------|
| Non-Social sciences | 59 (29.4)  | 16 (8)      | 9 (4.5)    | 5 (2.5)    | 89 (44.3)                                | 23 (11.4)  | 201 (100) |
| Social sciences   | 129 (30.7) | 42 (10)     | 23 (5.5)   | 26 (6.2)   | 171 (40.7)                               | 29 (6.9)   | 420 (100) |

Note: Percentage in ()

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### OTHER POLICY ISSUES

About 468 responses were obtained from the open-ended question which required the policy actors to suggest, generally, what they think should be the economic policy response of the government to cushion the adverse effects of COVID-19 on the national economy. Their responses were synthesized and the policy issues deduced are discussed below.

Effective food aid strategy: A hunger outbreak could be a more devastating situation than the current pandemic (COVID-19). There should be a clear method for identifying the citizens who require food assistance. The food aid should be distributed in a transparent manner. To ensure effective and efficient distribution of food aid independent monitoring and evaluation teams comprised of CSOs should be appointed. Small and medium enterprises (SMEs) as an engine of industrial transformation: SMEs are major contributors to economic growth in
Nigeria. With a flexible and less expensive credit, the contributions of SMEs can be catalyzed to enhance industrial transformation in the country. The government of Nigeria should, therefore, set up a clear road map for economic transformation through SMEs.

Job security: During economic hardship, there is a high tendency for organizations, especially the private sector, to lay off workers as part of cost reduction strategies. If this is allowed unchecked, it will only deepen the growing recession thereby making recovery more difficult. The government should synergize with MBOs to cushion any tendency to lay off workers.

Education technology: Human capital is one of the greatest assets of a nation. The educational system is a major vehicle for capacity development of human capital. However, COVID-19 has clearly exposed the weakness of the Nigerian educational system which is largely a classroom of education. Nigeria should not miss this opportunity to develop and establish a nationwide viable online system of education at all levels. This will ensure that the nation’s capacity development is not easily disrupted during any national or global pandemic.

Import substitution: Government policy on the promotion of domestic goods and services has always been battling with the crowding-out effect of imported goods and services. Federal and State governments should make deliberate efforts to promote locally produced goods and services ranging from vehicles, machines, textiles, processed leather, rice, chemicals, cassava products, cocoa, and other products. Promotion of import substitution will have a positive trickling-down effect on the national economy.

### AGRICULTURE (FOOD PRODUCTION)

Millions of subsistence farmers were affected during the peak of COVID-19 pandemic which extended into the beginning of the 2020 planting season in most parts of the country. As a result, most subsistence and commercial farmers were restricted from their full agricultural activities. This will likely reduce harvest which will cause low distribution of food products, reduction in exportation of agricultural produce, and increase the prices of food items. Stakeholders in the agricultural value chain should synergize to ensure national food security and an end to hunger as specified by the United Nations Sustainable Development Goals (No. 1).
CONCLUSION

This study, which puts aside the obvious need to respond to the health crisis itself, focused on ascertaining policy options available to the Federal Government of Nigeria that will have significant impacts in mitigating the economic effects of the coronavirus economic crisis in the country. It also examined the popularity of the government’s option of borrowing money from international and multilateral development partners to support an economic recovery. In addition, it sought to ascertain the maximal public debt the policy actors would be willing to tolerate for economic recovery in Nigeria. The study adopts a participatory development approach.

According to the findings, there appears to be agreement among the policy actors, as a higher proportion of the respondents (about 22%) supported direct cash transfers to households and SMEs as the best policy option to mitigating the economic effects of the COVID-19 crisis in Nigeria. This is followed by the need to eradicate corruption among officials of the government (14%). According to 9.8% of the responses, provision of sufficient and stable power supply is the third greatest policy option the Nigerian government can explore to mitigate effects of COVID-19 on the economy. Generally, 66% of the policy actors would not support the federal government borrowing money from international and multilateral development partners to enhance economic recovery given the adverse effects of the COVID-19 crisis. Only 27% were in support.

This study recommends that the government should implement, in a transparent manner, direct cash transfers to deserving households and SMEs affected by lockdown policies. Secondly, the three arms of government in Nigeria (executive, legislature, and judiciary) should show sincere commitment in their efforts to eradicate corruption among government officials. The government should demonstrate commitment towards the provision of sufficient and stable power supply and reduce lending interest rate by 40%. COVID-19 experience should be used as an opportunity to establish a nationwide viable online system of education at all levels in Nigeria. There is an urgent need for the stakeholders in the agricultural value chain to synergize to ensure national food security and an end to hunger in Nigeria. This synergy may include efforts to reduce postharvest losses through effective redistribution of produce across the country, and provision of effective storage facilities as well as effective communication and implementation of food policies in the country. Finally, the Nigerian government should buy locally produced goods as part of the efforts to promote locally produced goods and services. The power of personal example from the government is needed to transform the domestic economy both in Nigeria and in other emerging economies of the world.

LIMITATIONS OF THE STUDY

The authors acknowledge the following limitations of this study:

I. The responses obtained and used in this study through the “survey monkey” are mainly subjective and based on individual opinion. However, these individual responses could be a strong suggestion of policy direction expected by a cross section of the Nigerian workforce. This, in fact, is one of the major reasons for the study—to ascertain policy suggestions from a cross section of the Nigerian workforce.

II. Efforts were made during the survey to obtain responses from all the regions of the country. However, the respondents’ region was not captured, and therefore we cannot ascertain regional distribution of the responses. This may have implications on generalization of the conclusions in this study.
ENDNOTE

1 #EndSARS: A decentralized streets mass protests against a police unit in Nigeria widely viewed as abusive. The hashtag first surfaced in the country and on social media in 2017 as a movement advocating for the abolishment of a federal police unit called the Special Anti-Robbery Squad (SARS). SARS existed for nearly three decades. However, over time, its critics say, the unit had developed a reputation for abusing its power. Nigerian government disbanded SARS following a nation-wide EndSARS protect in October 2020 (The Washington Post, 2020, https://www.washingtonpost.com/world/africa/endsars-nigeria-police-brutality-sars-lekki-protest/2020/10/22/27e31e0c-143d-11eb-a258-614acf2b906d_story.html).

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