



Repositioning the Nigerian Economy in the COVID-19 Era and Beyond

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Abstract. The COVID-19 pandemic has changed the way of life of citizens around the world and in a short time, affected all areas of human society. The third year into the COVID-19 pandemic and the after-effects of Covid-19 are felt globally. The global social and economic activities have been altered as the world embraced the changes that have taken place as “a new normal”. The devastating impact of the Covid-19 pandemic has brought the global economy to its knees by generating serious shocks that have caused global economic fluctuations. The pandemic is threatening to pull into deep economic recession even the most powerful economies in the world. As such, no nation is insulated against the ravaging impact of the Covid-19 pandemic on global public health system and global economy. Before the outbreak of the Covid-19 pandemic, Nigeria had been grappling with the burden of foreign debts, general insecurity, unemployment, and a dwindling economy. The economy was in a fragile state aside, suffering from a wide range of developmental challenges as well as glaring infrastructural deficits. The situation has not turned for the better but rather got worse since the outbreak of Covid-19. The lockdown measures and other preventive measures to curtail the spread of the pandemic further exposed the fragility of Nigeria’s economy. These measures crippled major economic activities in Nigeria. This resulted in the circular flow of income being significantly constrained since a reasonable proportion of the productive elements were rendered idle. Against the above backdrop, this paper examines the measures for the repositioning of Nigeria’s economy in the Covid-19 era and beyond.

Keywords: Coronavirus, Globalization, Microeconomic policy, Gross Domestic Product (GDP), New Normal

1. Introduction

The world has been thrown into uncertainty following the outbreak of the novel coronavirus disease (COVID-19) in the city of Wuhan, China sometime in the month of December 2019. Like a thief, the virus crept in quietly and rapidly permeated into every corner of the world and within a short time, it thoroughly changed the World from what it used to be. No doubt, the Covid-19 pandemic has brought about a change that forced human beings to adjust their normal way of life. This change is likely to endure for as long as the world has not found a cure even though vaccines have been developed to offer life-saving protection against a disease that has killed millions. The pandemic is far from over, and therefore Covid-19 vaccine inoculation as well as ensuring personal protective measures are the viable ways for staying safe at present.

The global socio-economic, religious, political, and cultural activities have been altered as the world embraced the changes that have taken place as a new ‘normal’. A new normal which changes human routine and our lives now thrown into upheaval by the changes brought by the COVID-19 pandemic. The devastating impact of the Covid-19 pandemic has brought the global economy to its knees by generating serious shocks that have caused global economic fluctuations. Quite amazingly, the pandemic is threatening to pull into deep economic recession even the most powerful economies in the world. As such, no nation is insulated against the ravaging impact of the Covid-19 pandemic on global public health system and economy.

This paper examines various issues relevant to the repositioning of Nigeria’s economy in the Covid-19 Era and Beyond. Before the outbreak of the Covid-19 pandemic, the country was grappling with the burden of foreign debts, general insecurity, unemployment, and a dwindling economy. The economy was in a

fragile state aside from other wide range of developmental challenges and stack infrastructural deficit. Nigeria's infrastructure deficit, estimated at \$100 billion annually, is 189.77% above the 2021 federal budget, projected at \$34.51bn. The recent statistics show that the unemployment rate in Nigeria was at approximately 9.01 percent. The situation has not turned for the better but rather got worse since the outbreak of Covid-19. In fact, the preventive lockdown measures to curtail the spread of the pandemic further exposed the fragility of Nigeria's economy. The lockdown crippled the major economic activities in Nigeria. This resulted in the circular flow of income being significantly constrained since a reasonable proportion of the productive elements were rendered idle. It is saddening to record the closure of many businesses and corporate institutions. The implication of this development is that government's tax drive will equally be affected. The initial global closure of airports, seaports, and land borders significantly reduced the volume of domestic and international trade and other allied economic activities. Interestingly, "the government's transfer payments have increased considerably, owing to the expenditure on palliatives by various governments across the globe to cushion the effect of the lockdown on citizens."

The significance of food security to human development and the sustainable development goals cannot be overemphasized. Thus, food security remains a fundamental concern globally and in Nigeria, particularly during the COVID-19 pandemic despite various palliatives and intervention initiatives launched to improve household welfare. Research on the food security status of households in Nigeria during the pandemic reported that only 12% of the households were food secure, 5% were mildly food insecure, 24.5% were moderately food insecure and over half of the households (58.5%) experienced severe food insecurity. This study indicated that over two-thirds of households were threatened by food insecurity in Nigeria.

The lockdown in Nigeria which though was necessary at the time, affected food production especially the denial of farmers' access to lands for farming. Other informal sectors of the Nigerian economy such as daily labourers' lost access to their daily earnings and lost income due to restricted mobility. Women and youth who are the major players in the informal sector of the Nigerian economy were adversely affected. The usual panic buying of food and stockpiling compounded the problem of food security. The biggest risk of food insecurity in Wave 4 of the COVID-19 pandemic was

experienced in Nigeria in the months of July and August 2019. Many households were reported as being unable to eat healthy, nutritious and preferred foods because of lack of money, while only a few ate the kinds of foods they preferred. More worrisome is the escalating level of insecurity in the country due to the activities of terrorist groups, kidnapers, and other criminal enterprises. The long-term fight against the monster called corruption still lacks vigour. The recent display of ignominy by Nigerian public servants who tried all tricks in order not to be made accountable for corrupt practices by the National Assembly Committees leaves much to be desired. The President, Muhammadu Buhari could not help but describe such shameful acts as a breach of public trust. This is not a morale booster to the teaming supporters of the administration who are expecting the regime to bring corrupt practices to a tolerable level. This is the situation Nigeria was before the outbreak of COVID-19 pandemic.

2. The Covid-19 Pandemic and Globalisation

The Covid-19 pandemic is majorly a public health crisis, but it has serious consequences on the global economy. In fact, it has dealt a temporary blow on the concept of globalisation. The expected economic interdependence and multilateral norms through the creation of global supply chains which ultimately contribute to the economic growth of many low-and middle income countries, Nigeria inclusive, were on the decline. Although hard times never last, but while it lasts the Covid-19 pandemic is already disrupting the basic livelihoods of millions of people, with the majority of people at the bottom of the economic ladder, i.e. informal businesses, Small and Medium Scale Enterprises (SMSEs), and daily paid labourers being the worst affected. The collapse in global oil prices affected all oil exporting nations, Nigeria inclusive. Global economic recession is already here but unfortunately the Nigerian economy is already weak and without the necessary buffers to weather the storm.

The outbreak of COVID-19 pandemic and the oil price shock adversely affected the oil-exporting developing countries leading to structural decline in the fossil fuel industry. It was observed that while some countries might weather the current crisis on the back of sovereign wealth funds or relatively low public debt levels, this may not be the case for most fragile oil-exporting countries. Many of those countries rely mainly on revenue from oil such as Nigeria. Nigeria seems to be entering a spiral of

unsustainable borrowing on the back of the current turmoil.

It is against the above backdrop; this paper explores the subject of repositioning the Nigerian Economy in the Covid-19 Era and Beyond. The paper gives a brief background information on the emergence of the Covid-19 pandemic and the shocks it generated which have caused global economic fluctuations and a global public health crisis. Empirical facts regarding the Nigerian government's social and economic policy responses and choices in addressing the challenges will be provided. This includes the analysis of the Nigerian government's economic recovery measures rolled out after the ease of the lockdown.

3. Coronavirus Pandemic and the World of a "New Normal"

The world is not new to the outbreak of infectious diseases as history of global pandemic is replete with one form of outbreak or another. In retrospect, the 1918-1919 Spanish influenza claimed many lives and spread around the world. Other past epidemics include the HIV/AIDS virus, SARS, Avian influenza known as bird flu, and the Ebola outbreak. As such, when Coronavirus broke out in Wuhan city in China, not many people in the Republic of China took it as a serious pandemic. The Chinese authority who informed the world of the outbreak much later, underestimated the virulent nature of the virus expecting that they could handle it as a local or regional public health challenge. It was however never meant to be so as the World Health Organisation (WHO) later declared the coronavirus as a global threat and public health crisis.

We live in a world of economic globalisation. The prominent position of China as the manufacturing capital of the world exposed the African continent to imported cases of Covid-19. The available statistical update on the COVID-19 pandemic as of February 16, 2022 showed 418,650, 474 **confirmed cases** of COVID-19, a total of 5,856, 224 confirmed deaths, and vaccine doses administered of 10, 279,668,555. The total confirmed cases in **Africa stand at 8,264,647 cases**; with the five African countries reporting the highest number of cases being South Africa (3.66m confirmed cases and 98,667 confirmed deaths), Egypt (469,000 confirmed cases and confirmed deaths of 23,752), Nigeria (254,000 confirmed cases and confirmed deaths of 3,142), Morocco (1.16m confirmed cases and confirmed deaths of 15,894) and Ghana (158,000 confirmed cases and confirmed deaths of 1,433).

The above statistics indicate low cases of COVID-19 infection and low fatality rate in Africa compared to the other continents of the world. This is ironical against the backdrop of a genuine fear that Africa might become the epicentre of Covid-19 given the low level of public health infrastructure as well as poor standard of living in Africa. Some argue that the above figures may be an under representation due to low testing capacity of African nations, but the reality is that Africa is still not yet the epicentre of Covid-19. The reason for this, nobody can provide an answer to.

Nigeria recorded her index case of Covid-19 on the 27 February 2020. As of 25 August 2020, it is instructive to note that there had been an increase in community transmission after the ease of the lockdown. The nation has entered the fourth wave of infection due to community transmission though with impressive low death rate. While this development represents a public health issue, it is also an economic crisis. The impact of the pandemic reflected in supply and demand shocks as well as the unprecedented fall in oil prices. Crude oil prices had declined dramatically to as low as US\$17 per barrel by the end of the month of March 2020. The macroeconomic global and national policies are equally affected.

It did not take a long time before the nations of the world evoked the first law of nature which is self-preservation amid the pandemic. Every nation started to prioritise their own survival and would do whatever was necessary to protect their citizens economically and health wise. This seems to be the "New Normal" in the era of the Covid-19 pandemic. The so much cherished economic theory of multilateralism was dumped by nations because it was of no appeal to them in the period of desperation hence the doctrine of unilateralism dug out from the shackles of economic archives.

The emerging realities of a world economic order of the new normal in the Covid-19 era which attempted to temporarily strip away the glorious concept of globalisation was succinctly captured in the following statement by Hamid Beladi when he said, "The connectedness of industries is positive in good times and a problem when times are difficult". Thus, measures put in place by strong economies were meant to protect their own people and economies "regardless of the spill-over effects on the rest of the world". The World Customs Organisation (WCO) reported that a total of 32 countries and territories evoked stringent and immediate export restrictions on critical medical supplies and drugs that

were meant to respond to Covid-19. This irrational response could be attributed to fear of prolonged global economic recession and human fatality should the Covid-19 pandemic last longer than is envisaged.

It is instructive to note that in every misfortune lies opportunities and a wakeup call to nations to be self-reliant in some respects. As such, Nigeria must start to look inward in providing for her basic needs to guarantee high quality of living, good health care system, standard and adequate infrastructure, and cutting-edge educational system that will cater for her scientific, economic, and social needs. For how long will Nigeria continue to depend on foreign goods and neglect the potential of locally produced goods? For how long will Nigeria remain a mono-resource dependent country (oil) while the reality makes it obvious that no nation can survive on a mono-product economy without diversification?

4. Realities of COVID-19 and Challenges

As it was observed elsewhere, the Covid-19 global “new normal” means different things to different people, organisations and nations as each entity bases its adaptive measures, and takes decisions that will guarantee her economic sustainability. The pre-existing realities of the condition of the Nigerian economy, the fiscal and monetary policies, the debt profile and developmental policy and agenda will determine the direction Nigeria will take in resetting its economy in the Covid-19 era and beyond. In the global “new normal”, digitalisation of economic activity has become the most effective adaptive measure which continents like Asia, Europe and North America have embraced to keep the frontier of economic activities moving on especially with regards to production and supply chains as well as services. Nigeria may however find this difficult due to poor internet access and penetration, and challenges of acquiring computer hardware and above all, because a large sector of the Nigerian economy is informal with little access to internet services and poor power supply.

At the peak of the first wave of the Covid-19 pandemic and imposed lockdown across the world, advanced countries encouraged the culture of working from home and this mitigated the initial downside of the impact of the pandemic to a reasonable measure. The situation is not the same for Nigeria because online work and business interactions are difficult. The informal sector of the Nigerian economy which accounts for about 85% of businesses in Nigeria are practically conducted physically. The informal sector of the Nigerian

economy operates largely on a person-to-person basis and the concept of social distancing is of no meaning to the people. Another problem with Nigerians adapting to the new normal is that the requirement of social distancing may not be effective in an economy where majority are heavily dependent on daily subsistence earnings.

The Covid-19 ‘new normal’ era has exposed the incapability of Nigeria in embracing economic digitalisation especially in an emergency like the present one. The Minister of Communication and Digital Economy and NITDA’s relentless efforts to ensure that Nigerians take full benefit of the digital age through numerous policies and interventions must be commended. Some economic analysts have however suggested that for Nigeria to take full benefit of the digital age, it is imperative to shrink the size of “the informal sector of the Nigerian economy and increase the breadth of the formal sector as it ramps up electricity generation and distribution, improves transport infrastructure and supports a significant reduction in the cost of access to the internet”.

While we do not totally agree with the above suggestion for the simple fact that the Nigerian informal sector creates many jobs in Nigeria, the call for the reduction in internet data cost to enable our small and medium-sized businesses become active in the emerging ‘new normal’ of economic digitalisation is necessary. Unfortunately, it is sad to note that the government has approved a 7.5% **value-added tax (VAT)** increase on phone calls and Short Message Service (SMS) at a time when Nigerians are expecting lower tariffs on mobile services especially in the era of Covid-19.

Since the oil sector contributes largely to Nigerian revenue generation and accounts for about 70% of her gross domestic product (GDP) and 65% of the total government revenue, the fluctuations in global oil prices signalled a tough economic crisis for the nation. Government needs to rise up to the occasion in combating the pandemic which will ultimately increase Nigeria’s fiscal deficit and her susceptibility to high public debt vulnerabilities. Prior to the outbreak of the pandemic, Nigeria had been grappling with unpleasant capital flows due to several reasons among which are insecurity, problem of power generation and distribution (energy), poor infrastructure to support trade and industrial activities, and low domestic interest rates. This no doubt puts a “serious pressure on Nigeria’s foreign exchange reserve and the exchange rate has also negatively affected the conduct of sundry monetary

policies in the country". The cumulative effect of this will be felt in Nigeria's macroeconomic stability coupled with the challenges of the pandemic.

In the Covid-19 era, Nigeria cannot continue to bury her head in the sand without accessing the vulnerabilities of the macroeconomic policy in the face of the pandemic and beyond. Although some economists have made an optimistic projection of the future trajectory of the effect of the Covid-19 pandemic on global economy to be relatively mild and are optimistic of an early return of global economic normalcy, how true is this projection? Only time will tell. Whatever the outcome of various economic projections may be, it is imperative for Nigeria as a developing economy to articulate a practical and sustainable policy adaptation and approach to cushion the effect of the pandemic on her economy. Hence the need for repositioning the Nigerian economy beyond the Covid-19 era.

5. Socio-Economic impact of COVID-19 in Nigeria

The Covid-19 pandemic has continued to spread exponentially following the global ease of lockdown and the partial return of socio-economic activities across the world. African continent equally had a frog-leap increase in the spread of the Coronavirus with Nigeria being among the African countries with the highest number of confirmed cases of Covid-19, trailing behind South Africa, Egypt, and Algeria. The spread of Covid-19 is expected to have significant impact on global economies and by extension, the major African economies as economic activities were originally put on hold to stop the spread of the virus. Borders were closed and global production and supply chains were in a hiatus due to the lockdown as part of containment measures.

It is however debatable if the lockdown was effective in the case of Nigeria even though the measure initially yielded a positive decline in the rate of infection. The reality soon stared Nigerians in the face that the nation could not afford a total lockdown for a long period of time for obvious reasons; the nature of the economy, the manufacturing sector, the service sector such as education/schools, distribution, small scale businesses and people that depend on daily wages being the vulnerable sectors. Furthermore, the window of government interventions was limited and inadequate. President Buhari was reported to have requested Nigerians to abide strictly by COVID-19 protocols as the country cannot afford a fresh lockdown. The total lockdown that lasted five weeks caused Nigeria's GDP to suffer

a 34.1 percent loss, amounting to USD 16 billion, with two-thirds of the losses coming from the services sector, according to IFPRI's COVID-19 lockdown are imposing substantial economic costs on countries in Africa.

Assessing the impact of the virus on the growth and development rate for 2020 in the African continent, the World Bank projected that the top four economies in Africa which are Nigeria, South Africa, Egypt, and Algeria had a record growth at the following rate; -3.22%, +1.5%, +5.8%, and +1.9% respectively. From this statistics, Nigeria can be seen to be the most affected economy among the major African economies with the worst growth prospect for the year 2020. The restriction of movement within the country, closure of borders to her neighbouring countries and the rest of the world at the first wave of Covid-19 pandemic rapidly crippled the normal economic activities, and supply chains across the world. The Nigerian government's decision in this regard cannot be condemned as it was necessary at that time.

5.1 Fall in Oil Demand and Price

It is no longer a thing of secret that the COVID-19 pandemic hit hard on the global oil market, commodity market, stock market and global economy generally. Oil export has remained the mainstay of the Nigerian economy, with Nigeria over depending on oil revenue. Oil revenue accounted for 2.64tn of expected revenue as per Nigeria's 2020 budget while other non-oil revenue contribution to Gross Domestic Product (GDP) ratio is very low. It therefore means that any slight shock in the global oil market will make Nigeria's revenue generation vulnerable and that is exactly what happened with the outbreak of the pandemic. The global oil prices dropped by 55% between the months of December 2019 to March 2020 which is the worst of its kind in many years past. This no doubt is one of the worst economic shocks that Nigeria and many other oil producing countries faced in 2020. By mid-March 2020, the price of crude oil dipped to \$29.62/barrel. This adversely affected the Nigerian 2020 budget which pegged oil prices at US\$57/barrel and production at 2.18 million barrels per day. Although the global oil prices are picking up gradually, the decline in expected revenue from oil per month has distorted many developmental plans and financing of many other businesses of the government.

Unfortunately, other non-oil sectors of the Nigerian economy that could have complemented the economic shocks in the global oil sector are equally affected. Agricultural, mining, and manufacturing

sectors were adversely affected and could not hold back the hands of the clock to prevent the Nigerian economy from falling into recession. As part of the downside of this development, there is little money at the disposal of the federal government to fund the health sector that seriously needs huge intervention to address the inadequate infrastructural development, and likely high cost of healthcare among other impacts. The good news here is that global oil prices are picking up gradually, with crude oil prices soaring higher on 21 August 2020, on track for the third consecutive week of gains. This has been triggered by OPEC+'s efforts to cut down on crude oil output, coupled with growing concerns over the global economic recovery from the COVID-19-induced recession.

5.2 Covid-19 Pandemic and Nigerian GDP Growth Rate and other Sectors

The Coronavirus pandemic impacts negatively on the Nigerian GDP growth rate. The effect of the pandemic crippling the economic activities in Nigeria resulted in sluggish growth rate as earlier observed. In the first quarter of 2020, the Nigerian economy recorded a growth of +1.87% which is not impressive because this is a serious cut in the Nigerian GDP growth which will eventually lead to economic contraction in 2020 and beyond with the GDP likely to fall further by two to three percentage points. This is the cost of lockdown as a measure to contain the spread of Covid-19.

With regard to Debt to GDP (debt ratio to the total output of the economy, i.e. overall income), Debt to Revenue (debt ratio to current income which is most rational and globally used), and a Revenue to GDP ratio; Nigeria in the Covid-19 era recorded the highest amount of Debt to GDP ratio (17.5), Debt to Revenue ratio (61.4 note: this shows that Nigerian debt portfolio is not sustainable), and Revenue to GDP ratio (7.8). Thus, Nigeria's debt continues to increase unabated. For instance, as of December 2019, Nigerian total debt stock stood at N27.4trn (N21.7trn owed by the Federal Government and N5.6trn owed by different state governments). These are indications of a Nigerian economy on the verge of macroeconomic crisis/instability and eventual economic recession.

5.3 Pressure on the Naira

The Nigerian economy is gradually falling into recession following the outbreak of the Coronavirus. This development is expected to affect the exchange rate of Naira to USD and other dominant international currencies. According to the UNDP Report Brief #1, March 24, 2020, the Naira has

depreciated by 1.0% since Mid-February 2020 with even a large depreciation of the Naira expected from the informal sector/market. It is instructive to note that remittance is another huge contributor to Nigeria's foreign earning. The economies of the developed nations from which remittances are made are also badly affected by the outbreak of the pandemic with a lot of jobs disappearing and shrinking financial transactions. The phenomenon of job losses is a global thing, and this could lead to further social problems as the pandemic persists.

5.4 Selected Macroeconomic Policy Responses

In response to the shocks of the Covid-19 pandemic on the Nigerian economy, the Federal Government took some macroeconomic policy responses to address the situation. Below are selected macroeconomic policy responses:

- Fiscal Policy Responses:
 - N984 million contingency fund released to Nigeria's Centre for Disease Control (NCDC);
 - N6.5 Billion released for medical consumables including testing kits, opening of isolation centres and training of medical personnel;
 - Review of 2020 budget and a cut in capital spending by N1.5 trillion;
 - Provision of N500 billion fiscal stimulus package to support healthcare facilities, relief to tax payers and incentive to employers;
 - Introduction of import duty waivers for pharmaceutical firms;
- Monetary and Macro-financial:
 - Maintenance of current monetary policy rate (MPR) by CBN;
 - Reduction of interest rates on all applicable CBN interventions;
 - Introduction of one year moratorium on CBN intervention facilities;
 - Creation of a N50 billion targeted credit facility;
 - Injection of N3.6 trillion liquidity into the banking system;
 - N1 trillion support to the agricultural sector to prevent food shortages; and
 - N120 billion private sector special intervention initiative.
- Exchange Rate and Balance of Payment:
 - Adjustment of the official exchange rate by 15% and
 - Unification of various exchange rates under the investors and exporters window;

6. Repositioning the Nigerian Economy in Covid-19 Era; the Way Forward

The occurrence of the Covid-19 pandemic and its devastating impact has brought to the fore the susceptibility and vulnerability of the Nigerian economy especially in the period of emergencies. It also underscores the fragility of our economy which has been characterised as a resource-dependent economy (not a knowledge and creative driven economy) or better still as a mono-product economy. The challenges of Covid-19 generally taught the developing economies of which Nigeria is one, the need to reposition their economies to be less-dependent and self-sustaining. The pandemic exposed Nigeria's infrastructural deficit and lack of comprehensive data of her population, demography for national planning, and fragile nature of our healthcare sector. Nigeria as a matter of urgent concern should take bold policy initiative to develop strong infrastructural facilities to sustain and support the nation especially during the period of emergencies.

The global economy has presently dipped into recession and it may take a while to bounce back to normal. Nigeria can only navigate through these public health and economic crisis by repositioning the focus of her economy. The CBN Governor emphasised the imperativeness of repositioning the Nigerian economy beyond Covid-19 when he observed thus:

"...as a nation, we cannot afford to continue relying on the world for our food, education, and healthcare. The time has come to fully transform Nigeria into a modern, sophisticated, and inclusive economy that is self-sufficient, reward the hardworking, but protects the poor and vulnerable, and can compete internationally across a range of strategic sectors." Repositioning the Nigerian economy is a matter of hard policy choice and priority. Therefore, the quest to reposition the Nigerian economy in the Covid-19 era and beyond is expected to be tailored along the following economic reform agenda and policy choices as suggested by economic experts.

6.1 Building High Quality Infrastructure to Support Industrial Activities

Quality infrastructure is essential to engender rapid industrial activities and economic development. A conducive infrastructure especially adequate power supply, affordable digital access (increased internet data penetration and a reduction in the cost of data and other telecommunication service charge), and good transportation (rail, road, and sea) are enablers of industrialisation. These infrastructures are very

critical enablers for big and small firms and businesses to access and compete in domestic and foreign markets. As stated above, the Covid-19 pandemic exposed the vulnerability of the Nigerian economy due to poor infrastructural facilities. As part of measures to reposition the economy, Nigeria needs to make a bold policy decision and commit to the development of quality infrastructure to broaden trade and investment opportunities, while boosting productivity and innovation.

6.2 Provision of loans and credit to Small Scale Businesses for revitalisation of the economy

Government must make provision for loans and credit guarantees with limited conditions to rejuvenate the private sector of the economy. There is need for government to intensify effort towards creating enabling environment for small businesses to thrive to reduce the cost of doing business by SMSEs which is currently very high. This will increase productivity and output, thereby creating new jobs and preserving the existing ones. Such financial assistance may be provided by the Nigerian government through the CBN. Although such funds may be sourced from bodies like IMF, European Investment Bank as loans, it is advisable to avoid taking external loans in view of the existing debt burden.

6.3 Strengthening of monetary transmission through viable macroeconomic policy

The pandemic had already created serious public health emergency and global economic downturn with Nigeria recording higher human and economic costs. To reduce the vulnerability of citizens and the economy because of the Covid-19 pandemic, a viable macroeconomic policy is imperative to strengthen Nigeria's monetary transmission and fiscal space and increase the fiscal multipliers. As such, to reposition the economy will require solid macroeconomic policies and stability (stable inflation rate, stable exchange rate, low unemployment, and increase in real income, i.e., increase in purchasing power of money) which is the cornerstone of any successful effort to promote private sector development and economic growth. This is the best way to go as agreed upon by many experts in repositioning our economy in the Covid-19 era and beyond.

Successful macroeconomic policies will in the long run address the problem of poverty because without macroeconomic stability, domestic and foreign investors will stay away. The repositioning of the Nigerian economy along macroeconomic policies

will mean that Nigeria must reverse the present economic instability due to the trade shocks and reversal of capital flow (e.g. importation of intermediate goods such as equipment, tools, machineries, etc. some of which Nigeria is capable of producing locally) caused by the pandemic. The proposed macroeconomic policy here is expected to provide stable economic environment that is conducive to fostering strong and sustainable economic growth.

6.4 Diversification of the Economy

The current pandemic should be seen as an opportunity to reposition the Nigerian economy through diversification and limitation of our dependence on external funding and goods. Thus, solid minerals as well as the agricultural sector of the economy should be given priority to complement revenue generation from the oil sector which is now at a low ebb. This is the time to give support to large scale agricultural production in selected staple and cash crops such as cocoa, coffee, rubber, groundnut, soya beans, palm oil etc. Other value-added sector (processing and service sub-sector of the economy) and especially the manufacturing industries should be strengthened.

In furtherance to the above objective, the CBN has released a short-term (0-12 months) and medium-term (0-3 years) policy priorities for repositioning the Nigeria economy in the Covid-19 era and beyond. These include:

6.4.1 Short-term (0-12 months) Policy Priorities:

Financial support to the manufacturing sector through expansion of interventions;

Banks and private equity firms proposed to finance home-grown and sustainable healthcare services to reverse medical tourism out of the country;

Establishment of InfraCo PLC, a world class infrastructure development vehicle, with combined debt and equity take-off capital of N15 trillion to build transport infrastructure for moving agricultural products to processors, raw materials to factories, and finished goods to markets;

Prioritisation of the provision of FX for the importation of machinery and critical raw materials needed to drive a self-sufficient Nigerian economy.

6.4.2 Medium-term (0-3 years) Policy Priorities

The policy focus here will target four main areas in repositioning the Nigerian economy in the Covid-19 era and beyond, namely: light manufacturing,

affordable housing, renewable energy, and cutting-edge research.

Note also that the much expected African Continental Free Trade Agreement (AfCFTA) holds some promise in achieving this goal through cross border trade and elimination of tariffs over a five to eight year period for 90% of goods to promote trade and services between African countries.

6.4.3 Increasing Tax Revenue through expansion of tax base

Tax is another very strong source of government revenue generation as it contributes significantly to the country's GDP. Unfortunately, the tax revenue-to-GDP ratio is very low in Nigeria (less than 10%) when compared to OECD (25%). The implication of this is that Nigeria is not utilising this source of revenue generation in developing her economy and meeting other social needs and infrastructural development. The Covid-19 economic shocks led to about 50% fall in oil prices which made 2020 budget vulnerable with government forced to review the 2020 benchmarks. To reposition the Nigerian economy in the Covid-19 era and beyond especially with the uncertainties and volatilities in global oil prices, there is an urgent need to mobilise non-oil tax revenue.

Thus, increasing tax revenue requires expanding the tax base. Unfortunately, very few people and organisations contribute to tax revenue in Nigeria, with 1-7% of taxpayers contributing 75.4% of total tax revenue in Nigeria according to the African Tax Outlook. These are mostly big corporate organisations and waged workers. Repositioning the Nigerian economy in the Covid-19 era and beyond will require capturing of small firms in the tax net which is very crucial for the rejuvenation of the economy.

7. Re-energising the local supply chain and production network

Cost of transportation of goods from one point (supply point) to another (demand point) especially farm produce, and finished goods is increasing by the day in Nigeria thereby driving up the cost of both intermediate and finished goods. This is not a good development because such cost will eventually weaken the economy. To address this problem, it is suggested that government should consider the idea of public private partnership to strengthen the transportation system in Nigeria. Another important sector that needs to be addressed to boost the economy is the communication sector which is today

dominated by foreign investors. This must have contributed to the disturbing high cost of communication in Nigeria. Without affordable access to telecommunication services in Nigeria, the government's digitalisation of the economic policy especially the cashless policy will be badly hampered.

High cost of telecommunication will adversely affect the service sector of the economy such as banks, financial institutions, technology, entertainment industry, and social services (health and education). For now, telecommunication sector of Nigerian economy is dominated by foreign investors. To reposition the economy, there is need to put in place some regulatory measures to control the cost of communication and encourage or mandate local participation through mandatory joint venture to reduce repatriation of profit.

The supply and production network of the Nigerian economy is presently very fragile and weak. The much-touted talk about going back to farm policy needs to be rejuvenated. The number of people in the agricultural sector is very low and this affects the production of food and is a threat to food security. Lagos-Kebbi Lake rice initiative is a good model. One wonders, why do Niger and Benue states not cooperate in the mass production of tubers especially yam?

8. Conclusion

The phenomenon of the Covid-19 pandemic is a wake-up call to both the Nigerian people and the government, of the need to be self-reliant economically, and the need for the improvement of the healthcare system towards the provision of basic quality healthcare to Nigerians. The pandemic has also revealed the urgent need for restructuring and revitalization of our healthcare infrastructure as well as repositioning of our economy notwithstanding the waves of recession suffered by the Nigerian economy during this period. Nigeria is therefore implored to take advantage of the misfortunes caused by the pandemic and make the Post-Covid-19 era an opportunity to rediscover the potential of Nigeria as a country destined to be great.

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