

COVID – 19 LOCKDOWN AND SURVIVAL OF COMMERCIAL INDUSTRY IN NIGERIA: THE WAY FORWARD

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ABSTRACT

*The paper investigated covid-19 lockdown and survival of commercial industry in Nigeria. Two research objectives and two hypotheses were formulated. The study depended on primary and secondary sources of data revealing the impact and consequences of covid-19 lockdown on the masses. Vital consequences discussed included the loss of manpower utilization and shut down of global markets amongst others. However, the study showed that there is a link between covid-19 lockdown and survival of commercial industry. Descriptive survey design was adopted of which 200 respondents were administered, structured questionnaire and data were statistically analyzed. Recommendations were made on the way forward whenever there is outbreak.*

**Keywords:** Covid-19 lockdown, commercial industry, the way forward.

**Introduction**

The existence of commercial industry in society enhances economic activities, growth, economic stability and socio-economic development and consumer satisfaction. In developing countries, commercial industry contributes massively in products availability and its reach to consumers. Commercial industry involves in production of goods and services to customers who are the target consumers of domestic products. The effort of companies in this industry is to efficiently produce and satisfy customers' desire in terms of distributing to their reach their desired products. The commercial industry is a profit generating sector, as well remitting revenues to government. Furthermore, commercial industry primarily focuses on widespread and extensive production with the goal marketing the products to consumers through local traders. However, these productions occur in factories or work locations with many workers. More still, workers in these factories are assigned roles in the production process. Each employee is responsible to a part of the process. Moreover, these factories usually make use of low cost effective technology. Commercial industry usually involves in wholesale, retail, advertising and other mercantile activities.

On the emergence of the current outbreak of coronavirus of which World Health Organizations (WHO) has classified to be a covid-19 pandemic, the existence and effectiveness of the commercial industry begs for survival else, the sustenance of the factories and workforce will be broken. There are calls here and there by government to lockdown workers at home. These means factory workers are prevented to move to their work locations for fear of covid-19 infection. The stay at home order is seen to be a measure to curb the spread of the virus. Meanwhile, the prolonged stay at home may lead companies to lay off some workers. In this situation the commercial industry will have shortage of workers as well as reduction in production capacity.

To this end, products availability in the markets that are short down and the proper distribution of any product produced may be minimal. Therefore, this paper seeks to address how products can get to the customers reach during the lockdown imposed on all workers, traders and company workers across Nigeria, and Rivers State in particular.

**Statement of the Problem**

Obviously, commercial industry relies on workers to produce and purveyors to distribute finished products and food to customers. But the impact of restriction of movement during the lockdown imposed by the government, have been seen to be a risk to commercial activities. To this end, most businesses are facing manpower shortage and fall on revenue generation, providing

questions on longtime survival of the commercial company and relevance of workers. Employees were ordered to stay at home for the fear of covid-19 despite the impact it is going to have on the factory production, workers and customers in particular.

This implies that covid-19 is now an invisible enemy to all stakeholders in commercial industry, (Cnbc. 2020). Both big and small industries are now crying for help due to the impact covid-19 lockdown has negatively inflicted on all kinds of businesses. Therefore, the fear of owners of commercial industry is that the virus crisis will inflict severe damage on their business which will adversely affect their goal (Plummer, 2020). The pandemic has disrupted previous commercial stability and activities to present imbalance in commercial activities ongoing in the entire country. Even in the oil industry, the impact of the covid-19 lockdown has grossly disrupted the oil market, (Carrington, Ambrose, & Taylor, 2020).

Moreover, while assessing the impact of covid-19 pandemic lockdown and its negative outcomes on commercial industry, the intention here is to seek for a way forward for commercial industry in Rivers State. However, the paper will try to search out innovative ways of adequately distributing goods to consumers to meet their regular demand.

### **Objectives of the Study**

This paper's objective is to:

- i. Discuss the consequences of covid-19 lockdown on commercial industry
- ii. Examine how consumers obtain goods for consumption during the lockdown.

The study tested two hypotheses

HO<sup>1</sup>: Covid-19 lockdown have no consequences on commercial industry.

HO<sup>2</sup>: The consumers could not obtain goods for consumption during the lockdown.

### **Research Questions**

1. What are the consequences of covid-19 lockdown on commercial industry?
2. How do consumers obtain goods for consumption during the lockdown?

### **Meaning of Covid-19 Lockdown**

Covid-19 is a current outbreak of infectious disease caused by a newly discovered coronavirus. The World Health Organization lately classified the disease as a pandemic after it emitted from China to other parts of the world. As the pandemic continues to accelerate, different organizations are confused on what treatment should be appropriate and till date there is no approved treatment process or cure for the covid-19 which began late 2019 (Willsher, 2020). The virus infects people through droplets from cough, sneeze, saliva, touching, infected objects and through the air from infected persons. Most of the people infected do experience symptoms, while others are asymptomatic. However, those infected usually have mild to moderate respiratory illness and get well without requiring any special treatment. Whereas, older persons and those with peculiar medical problems like common cardiovascular disease, chronic respiratory disease, diabetes and cancer are more likely to develop serious illness.

Furthermore, to prevent and slow down the transmission and spread of this virus, the WHO has stipulated measures that could protect people. The measures include washing of hands with alcohol based sanitizer and avoid touching the face. This is because the virus spreads primarily through discharge from the nose when an infected person coughs or sneezes (WHO, 2020).

Due to the fear arising from covid-19, most countries and cities are on lockdown. It started from China in the city of Wuhan where the virus began in 2019. The lockdown included border closure, traveler's restriction across a widening range of countries. In different countries, governments are increasingly seeking to limit freedom of movement in response to the covid-19. Meanwhile, it is observed that the travel restrictions imposed have succeeded in slowing down the spread, but the virus has not been halted. However, the spread of the pandemic and the lockdown order has increase hunger and hardship to daily income earners and has resulted to high number of unemployment across the globe (Meier, Habibi and Yang, 2020). In developing countries like

Nigeria, the lockdown order has caused closure of shops, markets and retail points. It has also disrupted the food and product distribution chain. Both buyers and sellers who usually meet in the market have been prevented to transact their businesses. Although, the restriction imposed, does not affect distribution of essential items. But where people are restricted, how would they access the products when markets are on lockdown? In some cases government relax the lockdown for one or two days to allow people buy food for consumption.

### **Consequences of Lockdown**

The industry that relies on people leaving their homes that is obviously affected by the covid-19 lockdown is the commercial industry. Since the lockdown, commercial activities have been negatively affected; therefore the commercial industry is obviously at risk, (Cnbc, 2020).

However, a commercial industry is that industry which focuses on widespread and large scale production with goal of selling the maximum amount of products to consumers through existing distribution chain. More so, in commercial industry production responsibilities in the factory is usually assigned to each worker involved in the production process. Furthermore, commercial industry involve in wholesale, retail and other mercantile or business activities. The other activities which commercial industry involves are engaging in commercial activities of proper promotion of commercial products or services like advertising, opening of sales outlets and distribution of products to local and foreign consumers. Viewing how streets and roads have been deserted and law enforcement agents are patrolling to ensure that people obey the lockdown order. When looking at the consequences on the commercial industry, it will be notable that this sector is struggling for survival on the basis of the negative impacts explained below.

### **Loss of Manpower Utilization:**

In commercial industry, utilization of manpower contributes to the effectiveness of the industry. On the other hand, the underutilization of manpower certainly affects the industry in terms of recording production decrease as a result of the dwindling impact of lockdown on the production or commercial industry. Since manpower is the main source to achieving the objectives of increased production, the focus therefore is to effectively utilize it. In a situation where lockdown persist, there will be loss of manpower utilization due to movement restriction imposed by government.

According to Cengiz (2015) claims that waiting time could lead to inefficiency in any factory work and at the same time reduce the number of products expected. To this end, Fakorede (2014) posits that focus should be given to key factors of production enhancement, and ascertain the relationships among the given key factors to better assimilate and forecast for increase in production. However, the key factors may include leadership, strategic planning, people, information and conscious management in handling the outrageous impact of the covid-19 lockdown.

### **Shutdown of Global Market:**

The covid-19 lockdown affected the global market in the way that businesses within the global economy were put on stand still. The pandemic and the subsequent lockdown cropped up the idea of social distancing which encouraged the closure of corporate offices, suspension of financial markets, and other events which lead to the suffering of consumers, investors in the global market and plunged the global economy into recession which currently is still hitting hard on world economy. To this end, the covid-19 pandemic also encouraged loss of businesses, restriction of human movement, suspension of the aviation industry, hospitality industry, entertainment, sports industry and in a nutshell, the commercial industry. Covid-19 lockdown effects are more severe on developing countries like Nigeria in which there are weak public health infrastructure as well as the lack of social welfare programmes for the poor and eligible jobless people.

Most import, developing nations were severely affected by the shutdown of factories and global supply chain. This was as a result of closure of borders and short fall on importation.

#### **Restriction of Movement during Lockdown:**

During the covid-19 pandemic lockdown, people were no longer allowed to travel freely. The movement restriction affected consumers of finished products. The restriction affected people from accessing their places of work thereby rendering them jobless. Most companies closed down as a result of the lockdown because raw materials were not easily accessible any longer and the workers to produce the goods were on lockdown. Furthermore, the banks were closed and borrowers' accessibility of loans became impossible because banks were so reluctant to give loans to borrowers. The banks feared that borrowers will be unable to service their loans. The restriction prevented both the bank workers and other industry staff to access their work locations. However, the movement restriction was imposed by the state and federal government with the intent of controlling the spread of the covid-19 virus (Adenomon and Maijamaa, 2020).

#### **Non-existence of Social Welfare Programme:**

The outbreak of the novel coronavirus classified as covid-19 exposed the weak social infrastructure of Nigeria. Before the dawn of covid-19, there were social welfare problems in the country. In Nigeria, there are policies on paper concerning the citizens' welfare as it concerns child traffic and abandonment, mental health problems, divorce and single parenting. All of these social problems got worsened by the arrival of covid-19. However, the clamoring of the N-power programme to provide job and address the issue of poverty among unemployed youth have not positively changed the high level of armed robbery, kidnapping, ritual killings for money and other problems in Nigeria. This is because the N-power is poorly funded and is unreachable to the majority of those who seek them (Ahmed, Alhassan, & Alshammari, 2017).

More so, there are no existing national social welfare programme in Nigeria that provides assistances to all families in need of food security, health care support disaster relief, unemployment compensation and educational assistance. The covid-19 outbreak worsened the social problem of individuals and families in Nigeria. During the lockdown, people had nothing or little to rely on. Many poor individuals could not access any palliative from the government and there were no welfare relief that could help in coping with the stringent economic hardship. Many whose house rent expired got no help from any welfare programme to solve their housing problem. It is the provision of social welfare services to vulnerable or poor individuals in the country that can protect them from economic hardship in hard times (Ewalt and Jenmings, 2014). The failure to provision of social welfare programme or services for the poor during the covid-19 outbreak caused the death of many people who were thought to have died as a result of the virus. The poor could not afford food, drugs, shelter, job and money during the lockdown, and this brought severe pain and economic hardship.

#### **Price of Consumable Goods during Lockdown**

Prior to the Covid-19 Lockdown, Nigeria's inflation rate increased rapidly and the outbreak of covid-19 and its attendant lockdown helped to increase the price of consumable goods. More so, the lockdown restriction and closure of trade borders and banning of inter-state movement disrupted the distribution of consumable goods across the entire nation. Formerly, consumer goods were easily distributed to the markets, stores, malls and sales outlets within the environment and people freely purchase whatsoever they needed. But during the covid-19 lockdown the opposite was the case. The impact of the lockdown made the prices of goods to sky rocket that the poor or vulnerable people could not buy what they need to consume (Ozili, 2020). Holding to the fact that banks were closed, money was not well in circulation and even those people who had little cash available could not afford the essential goods for their individual and family survival. Consumer goods were sparingly found because the lockdown was being monitored by the security operatives. Since sales outlets were on lockdown, consumers were left at the mercy of shop owners within their vicinity, and whatever prices they were told of any item was the price they purchase the goods (Ozili, 2020). Furthermore, the prolonged lockdown may alter consumer behaviours in ways

that won't be reversed. The effects of consumer behaviour will be determined by the duration of the lockdown which caused the compulsory stay at home to avoid the contraction of the novel coronavirus.

### The Way Forward

#### Innovation

Commercial industry need to exist beyond the coronavirus lockdown. This can be possible through the process of innovation. For business services to survive during the lockdown, effort needs to be made on capitalizing on the rapid and essential shift in communications demands and in working conditions. Industry need to strategize and innovate as to cope with any crisis situation that arises. Innovation will help businesses to make best of any time of crisis or a bad situation. Innovation is important in commercial industry because it increases the chances to react to changes and find new opportunities in other to build better products and services toward satisfying customers.

Furthermore, "innovation is the cornerstone of sustained economic growth and prosperity" (Lisa, 2020). It connotes using new technology and new ways of thinking to add value to an existing idea, and product to improve the society. On this note, innovation will create development opportunities, improve organizations continuously, reinforce product and services, respond to trends at difficult times, create a unique selling point in which consumers will see value added products and services and will enhance the use of social media (Lisa, 2020).

#### Bailout Funds

As the covid-19 pandemic continues, state and federal government needs to authorize bail out (financial relief) funds or packages for the commercial industry to rebound back to active business. It was recorded that in 2008, the U.S government dozed out bail out programs to stabilize Wall Street and corporate America (National Whistleblower Center, 2020). As the impact of covid-19 ravages the global economy, United States is once again on track on massive corporate bailouts. The impact of coronavirus in the U.S.A prompted the legislative arm of government to sign into law several bills to attend to the pandemic crisis. **The bills concern health care, and availability of money to all eligible persons.** However, bailout is a general nomenclature for extending financial support to a firm, country facing bankruptcy threat. Bailouts come in forms of cash, bonds, loans or stock purchases which are not necessarily to be reimbursed. The purpose of issuing bailout is to support an industry directly or indirectly that affects millions of people across the globe. Bailouts do ensure the survival of the commercial industry and helps to avoid the insolvency of organizations that needed smooth functioning of the overall markets (Coleman, 2020). Particularly in Nigeria, bailouts funds are rarely mentioned nor given to companies to support them during the lockdown. Both States and Federal government divert their attention from providing loans to companies to making excuses that are baseless. This is a failure on the part of the government.

#### Palliatives

Considering the suffering associated to the covid-19 pandemic, the provision of palliative to cushion the effect of the lockdown is paramount. A palliative is given to reduce the harsh effects of the lockdown on people compelled to stay at home to avoid contacting the coronavirus. Palliative is a temporary measure to make the effects of covid-19 lockdown less severe for people to find succour (Collins, 2020).

There are arguments that the palliatives rolled by the Federal government did not reach the majority of the poor and vulnerable persons in the country. The palliative measures did not hit the targeted groups through its means of distribution. It was observed that the palliatives measures included trader moni, market moni and farmer moni loans issued by the Bank of industry, the Nigeria Export and Import bank and Bank of Agriculture. More so, the masses were also given palliatives which did not get to majority of them as was reported by a national daily.

Business Day reported on the 19th of April 2020 "it is lamentation bitter wailing in Lagos and parts of the country as Nigerians complain that the stimulus packages announced by the Federal and

Lagos State governments to cushion the effects of the lockdown imposed on some States and the Federal Capital Territory to contain the further spread of the coronavirus pandemic have not been sincerely deployed". The palliatives are supposed to have been sent to the homes of all eligible persons (Eranga, 2020).

### Research Design

Descriptive survey method was adopted, well-structured questionnaire were distributed to 200 respondents and data collected were analyzed using a basic statistical tool to interpret the primary data.

### Results

**Table 1: Covid-19 Lockdown have no Consequences on Commercial Industry**

| Gender         | Frequency | Percentage |
|----------------|-----------|------------|
| Male           | 102       | 51         |
| Female         | 98        | 49         |
|                | 200       | 100%       |
| Marital Status | Frequency | Percentage |
| Married        | 166       | 83         |
| Single         | 24        | 12         |
| Divorced       | 7         | 3.5        |
| Widowed        | 3         | 1.5        |
|                | 200       | 100%       |
| Working Status | Frequency | Percentage |
| Employed       | 31        | 15.5       |
| Unemployed     | 108       | 54         |
| Self-employed  | 61        | 30.5       |
|                | 200       | 100%       |

**Table 2: Affording Consumer Goods during Lockdown**

| Capable | Frequency | Percentage |
|---------|-----------|------------|
| Yes     | 88        | 44         |
| No      | 112       | 56         |
|         | 200       | 100%       |

**Table 3: Palliatives from Federal/State Government**

| Responses    | Frequency | Percentage |
|--------------|-----------|------------|
| Received     | 68        | 34         |
| Not received | 132       | 66         |
|              | 200       | 100%       |

### Discussion

The impact of lockdown on the populace is shown on the responses of the persons sampled. Out of the 200 respondents, the findings show that 102 persons being 51% of the number were males, while 98 of 49% of the sample were females. Among the respondents, 166 of them are married showing 83% of the respondents. Furthermore, 24 respondents being 12% of the sample were single. Meanwhile, 7 persons being 3.5% and 3 persons being 1.5% of respondents were divorced and widowed respectively.

The result shows that 31 persons being 15.5% and 108 persons being 54% of the respondents were employed and unemployed respectively, whereas 61 persons, being 30.5% of respondents were self-employed.

The result on the impact of covid-19 on the ability of affording consumer goods during the

lockdown imposed by State and Federal governments revealed that 88 persons being 44% of the respondents could purchase consumable goods despite the increase in price, while 112 respondents being 56% of respondents were unable to afford buying consumer goods as a result of increase in price.

The result also reveals that the palliatives acclaimed to have been released by the government did not get to the reach of majority of the citizens.

Among the study respondents' 68 persons being 34% of the entire sample agreed to have received a palliative, whereas 132 persons being 66% of the respondents disagreed to have received and palliative during the covid-19 lockdown.

### **Conclusion**

The covid-19 era calls for policy makers, government and stakeholders in the world economy to devise ways of coping with pandemic before, during and after its outbreaks. The economic crisis in Nigeria and the increasing spread of covid-19 creates fears on how the inflation bedeviled economy and the overloaded public healthcare systems in the country can withstand the existing pressure. The shutting down of world and national economic system have in recent times become so afflicting on the vulnerable who lack the purchasing power due to unemployment.

But if we all put in our best as government and stakeholders, hopefully the society will become more conducive for survival of the commercial industry and lives of all citizens.

### **Recommendations**

- 1) Social welfare infrastructure and policy needs to be overhauled and reinvigorated to provide needed support to citizens before and during any global outbreak of pandemic.
- 2) There should be transparency in governance in ensuring that commercial industry owners are issued bailout funds to revamp the weak economy and revive the distribution of consumable goods.
- 3) The commercial industry should design ways to ensuring that goods and services are affordable by constructing strategies that will sustain the industry whenever there is crisis.

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