

Economic implication of COVID 19 on private sectors' employees in Ibadan Metropolis, Oyo State, Nigeria

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Abstract

The study examined the economic implication of COVID 19 on private sectors' employees in Ibadan Metropolis. The study used ex-post facto design of survey research type; purposive sampling technique was employed to select two hundred private sectors' employees from Ibadan city geographical zone in Oyo State. One compartmentalised, validated instrument was used to gather information in this research. This is: COVID 19 Economic Implication Questionnaire ($r = 0.75$). Four research questions were raised and answered. The data obtained were analyzed using Descriptive statistics (frequency and percentage count) and t-test at 0.05 level of significance. Results revealed that COVID 19 pandemic lockdown infinitesimally affect the purchasing power of private sectors' employees in Oyo State. Private sectors' employees are able to sustain their employment after the ease of COVID 19 lockdown. COVID 19 lockdown better the social interaction of private sectors' employees in Oyo State as majority of the respondents testified to the fact that they have substantial time to interact with their family. Significant difference exists between private sectors' employees living standard during ($\bar{x} = 20.85$, $Sd = 5.16$) and after ($\bar{x} = 21.93$, $Sd = 5.49$) the ease of COVID 19 lockdown $t_{(df=199)} = 2.17$, $P = 0.032$. The paper submitted that: government should formulate favourable policy that will increase the purchasing power of private sectors' employees, similarly, private sectors' employees should diversify in their skills to augment their source of income.

Key words: *Purchasing-power, Economic-implication, Living-standard, Welfare, Private-sector*

Introduction

Corona virus disease 2019 (COVID-19), formerly recognised as 2019-novel coronavirus (2019-nCoV), was firstly made known in Wuhan, China in December 2019. The syndrome developed to a severe universal emergency, resulting into its pronouncement as a contagious disease. On the continent Africa, Nigeria too, partook in the direct impacts of the Corona virus pandemic, stated documentation of her index case in February 2020, with daily snowballing number of infected persons and the present-day fatality figure. Though the documented cases of infected persons may appear moderate, it has been predicted that the continent Africa will have some of the vilest impacts of this ailment by the final phase of the infectious disease. The critical outcomes of the pandemic among others may include poorer-respiratory tract ailments, such as: severe acute respiratory syndrome (SARS), bronchitis and pneumonia, acute respiratory distress syndrome (ARDS) and serious fever. These impediments

are more substantial in infected persons with underlying health challenges such as: immuno-compromised, cardiopulmonary disease, elderly and infants (Centre for Disease Control Prevention (CDC), 2020). Similarly, it has been predicted that the pandemic will have an unfavorable impact on the living standard of Africans (The Economist, 2020).

Contributing to the issue of economic implication of the pandemic on the people and economy as a whole, Fan (2003) posited that the infectious disease will make investment in the business sector reduce drastically, owing from advance risk and uncertainty, graduating to superfluous efforts. Similarly, purchasers' trust will deteriorate owing from anxiety about what the future holds and insufficient income, advance into decline spending as citizens are forced to stay at home to curb the spread of the infectious disease. Decline consumers' trust may specifically affect economic transaction that may require face-to-face contact like:

transportation, tourism and retail spending. James and Sargent (2006) argued that indication from previous pandemics confirm that it is predominantly spending on tourism and transportation that is reduced.

Similarly, James and Sargent (2006) evaluated this discovery by investigation into the signal from the SARS endemic and agreed that the populace did experience fear of being infected, for instance, fifty per cent of surveyed citizens in Taiwan asserted that they were wearing mask during the peak of SARS. Notwithstanding, the respondents asserted that data indicates that the substantial economic effect during the SARS endemic was on airways travel which affected locations and multiplier effects on accommodation. Likewise, Keogh-Brown and Smith (2008) carried out a reconsidering investigation on the economic effects of the 2003 SARS endemic and discovered that the economic impacts were mainly but not absolutely focused on East Asian regions and that the impacts proceed beyond airways travel and accommodation, but likewise influence the purchasing power of the workers and directly affect their living standard.

Similarly, its direct effect on health and unfortunately on lives, it is clear now that the corona virus (COVID-19) pandemic is likely to have long-term social and economic effects on the global populace owing to the direct and indirect impacts of ailment, the preventive disposition of citizens and the transmission regulation policies of the nations. Exclusively, national income forecast has already been amended downward for most geographical areas and nations, owing to shocks experience by both domestic supply and demand and drastic dwindling in the distribution of goods, services, capital as well as people (Sohrabi, Alsafi, O'Neill, Khan, Kerwan and Al-Jabir, 2020).

The onset of an economic recession, as a result of corona virus pandemic, was related with uncondusive psycho-social working environment, wide-spread job-related stress and stress-associated ailment among workers (Sohrabi, Alsafi, O'Neill, Khan, Kerwan and Al-Jabir, 2020). Besides, exposure to negative

psycho-social state at work may be higher during a period of economic recession (Houdmont, Kerr and Addley, 2012). Besides, Tsai and Chan (2011) discovered that in the congregation of legal and financial sector employees, the economic implication in a pandemic period had a paramount effect on psycho-social work stress, although the effect is different contingent on work-load and job insecurity. Similarly, Gili, Roca, Basu, McKee and Stuckler (2013) employees were substantially affected by the pandemic, which had a large effect on unskilled employees and many workers with flexible or temporary employment.

Work pressure from the pandemic new normal has paramount implications for workers' mental and physical fitness. It is related with a prevalence of psychological suffering gauge and obvious health challenges such as stomach ache and insomnia (Fairris and Brenner 2001; Wichert 2002). Complex levels of duty intensity after pandemic stay at home have been discovered to lead to significant decrease in employees' fitness, as quantified by task satisfaction and by indicator of affective fitness (Gallie 2005). The impacts of pandemic task weight can also spread over to family life resulting in negative consequences for employees' families: previous empirical investigation revealed that task pressure is significantly correlated to work-to-family conflict (Gallie and Russell 2009; McGinnity and Calvert 2009). On the other hand, moderate task pressure has potential advantages for business owners through decrease absenteeism and improve organizational commitment (Burchellet al. 2002). Furthermore, Font, Moncada, Llorens and Benavides (2012) asserted that job insecurity resulting from pandemic may stimulate employees to assent to low salary and poor working context in an effort to preserve their employment.

Significance of the study

The result of this research provides information on economic implication of COVID 19 on private sector employees in Ibadan Metropolis. Therefore, the results of the research shall contribute to the existing

literature on economic impact of pandemic on workers welfare. It will enable governments at all levels to identify various condition that surrounded employees during the pandemic. It will help the employers of labour to appreciate the effects of pandemic on purchasing power of different calibre of workers. It will broaden the understanding of the employees to see the need to diversify their potentials in order to regulate the hardship any pandemic may want to place on them and it is envisaged that the results of this empirical investigation will contribute substantially to the advancement of knowledge; hence, the results will stand as a baseline for future empirical investigation.

Statement of the Problem

As at the time of this research, COVID-19 pandemic has resulted in over 5 million established infected persons and over one million deaths throughout the world. It has also exhibited fright of an imminent economic depression and challenges. Self-isolation, travel restrictions and social distancing have resulted in reduced workforce across all economic sectors and caused many employments to be lost. Specifically, in Oyo State, schools were shut down, and the food sector faced increased demand due to panic-buying and stockpiling of food products. COVID-19 has had an impact on social interaction such that schools are no longer able to provide free school meals for pupils from low socio-economic status, social separation and school dropout rates are on the high rise. It has also had a substantial effect on child-care charges for families with young wards. However, private businesses providing essential service like foodstuffs and medical services were exempted from the lockdown.

Furthermore, there is a noticeable wide difference amongst citizens with a higher income who have ability to pay for technology that enhances continuous education digitally for their children in the period of the pandemic lockdown and the low-income earners who cannot because of inability to pay. Although many studies have examined or reviewed issues on COVID 19 but seems there is dearth of empirical investigation on the economic effects

of the pandemic on private sectors' employees particularly in Oyo State. The study, therefore, seeks to investigate economic implication of COVID 19 pandemic among private sectors' employees in Ibadan Metropolis. The study looked critically on their purchasing power and living standard during the pandemic.

Research Questions

1. What is the impact of COVID 19 on private sectors' employees' purchasing power in Ibadan Metropolis?
2. Do COVID 19 lockdowns better or worsen the living standard of private sectors' employees in Ibadan Metropolis?
3. Do private sectors' employees able to sustain their employment after the ease of COVID 19 lockdown in Ibadan Metropolis?
4. Is there any significant difference in private sectors' employees' living standard during and after the ease of COVID 19 lockdown in Ibadan Metropolis?

Methodology

The research adopted *ex-post facto* design of survey research type. This involved collecting, analysing quantitative data in order to provide a multi-dimensional perspective of economic implication of COVID 19 on private sectors' employees in Ibadan Metropolis.

Population and Sample

The target population of this study comprised all the private sectors' employees in Oyo State. Simple random sampling technique was used to select Ibadan city geographical zone in Oyo State. Similarly, purposive sampling technique was employed to select two hundred employees working in private organizations that provide essential services.

One compartmentalized validated instrument was used to collect information for the study: COVID 19 Economic Implication Questionnaire. This instrument was designed by the researcher to measure the economic implication of COVID 19 pandemic lockdown on private employees. It consists of two

sections, A and B. Section (A) focused on the demographic-data of the respondents. It consists of the employees' gender, highest educational qualification and years of experience. Section (B) had thirty (30) items on COVID 19 impact on employees' purchasing power, living standard and employment retention, placed along four options (Likert scale): Very true of me, True of me, Least true of me and Not true of me. The instrument was subjected to face and construct validity. Cronbach Alpha was employed to find the degree of internal consistency and the value obtained was 0.75.

The data was collected from some selected organisations (private schools, eateries, hotels

and supermarkets) with the help of three (3) research assistants who were rigorously trained and exposed to the importance of the study. The whole exercise lasted for six weeks.

Data collected was analysed using descriptive and inferential statistics. Data collected for research questions 1 – 3 were analysed using descriptive statistics of frequency and percentage count while data for research question four was analysed using t-test.

Results

Research Question One: What is the impact of COVID 19 on private sectors' employees' purchasing power in Ibadan Metropolis?

Table 1: Participants Responses on Impact of COVID 19 on Private Sectors' Employees Purchasing Power

S/N	Items	Very true of me	True of me	Least true of me	Not true of me
1.	I was unable to pay my bills during the pandemic lockdown.	83 (42%)	38 (19%)	22 (11%)	57 (28%)
2.	I sell-off some of my properties during the pandemic lockdown to provide food for my family.	19 (10%)	18 (9%)	13 (6%)	150 (75%)
3.	The pandemic lockdown compels me to seek for another source of income to meet my family needs.	93 (47%)	55 (27%)	20 (10%)	32 (16%)
4.	I bought household materials on credit during the pandemic lockdown.	49 (24%)	30 (15%)	29 (15%)	92 (46%)
5.	I have to depend on relatives during the pandemic lockdown to meet my routine spending.	56 (28%)	39 (19%)	49 (25%)	56 (28%)
6.	I bought all what I need easily during the pandemic lockdown	12 (6%)	20 (10%)	56 (28%)	112 (56%)

Note: *Very true of me and true of me was merged to mean "Agreed", least true of me and not true of me was merged to mean "Disagreed".*

The result from table 1 reveals that 61% of the participants agreed, 39% disagreed that they were unable to pay their bills during the pandemic lockdown. Similarly, 19% of the participants agreed, 81% disagreed that they sold off some of their properties during the pandemic lockdown to provide food for their families. Besides, 74% of the participants agreed, 26% disagreed that pandemic lockdown compelled them to seek for another source of income to meet family needs.

Likewise, 39% of the participants agreed, 61% disagreed that they bought household materials on credit during the pandemic lockdown. Also, 47% of the participants agreed, 53% disagreed that they depended on relatives during the

pandemic lockdown to meet routine spending. Furthermore, 16% of the participants agreed, 84% disagreed that they bought all what they needed easily during the pandemic lockdown. Deducing from the findings, it was observed that COVID 19 pandemic lockdown infinitesimally affected the purchasing power of private sectors' employees in Ibadan Metropolis. The outcome of this finding may be because of different palliative from religion setting, family and state.

Research Question Two: Do COVID 19 lockdowns better or worsen the living standard of private sectors' employees in Ibadan Metropolis?

Table 2: Participants Responses on Influence of COVID 19 on Living Standard of Private Sectors' Employees

S/N	Items	Very true of me	True of me	Least true of me	Not true of me
1.	The pandemic stays at home policy generate some health challenges in my family.	30 (15%)	39 (20%)	23 (11%)	108 (54%)
2.	The palliative given by different organisations improve my living standard during the pandemic lockdown.	13 (7%)	15 (8%)	29 (14%)	143 (71%)
3.	My family only has access to a meal during the pandemic lockdown.	25 (12%)	36 (18%)	40 (20%)	99 (50%)
4.	My family was unable to access quality health care because we are unable to pay due to pandemic lockdown.	40 (20%)	25 (12%)	42 (21%)	93 (47%)
5.	COVID 19 pandemic lockdowns subject my family to borrowing.	32 (16%)	33 (17%)	31 (15%)	104 (52%)
6.	My family did not have choices of food during the pandemic lockdown.	52 (26%)	53 (26%)	38 (19%)	57 (29%)
7.	The pandemic lockdown enhances me an opportunity to have time for my family.	119 (60%)	60 (30%)	9 (4%)	12 (6%)
8.	Pandemic lockdown increases my family's food consumption.	91 (46%)	47 (24%)	15 (7%)	47 (23%)
9.	I was able to learn some skills that increase my revenue during the pandemic lockdown.	59 (30%)	57 (29%)	29 (14%)	55 (27%)

Note: Very true of me and true of me were merged to mean "Agreed", least true of me and not true of me were merged to mean "Disagreed".

The result from table 2 revealed that 35% of the participants agreed, 65% disagreed that pandemic stays at home policy generated some health challenges in their families. Similarly, 15% of the participants agreed, 85% disagreed that palliative given by different organisations improve their living standard during the pandemic lockdowns. Besides, 30% of the participants agreed, 70% disagreed that their families only have access to a meal during the pandemic lockdowns. Likewise, 32% of the participants agreed, 68% disagreed that their families were unable to access quality health care because they were unable to pay due to pandemic lockdowns.

Also, 33% of the participants agreed, 67% disagreed that COVID 19 pandemic lockdown subject their family to borrowing. In the same vein, 19% of the participants agreed, 80% disagreed that their families did not have choices

of food during the pandemic lockdown. Moreover, 90% of the participants agreed, 10% disagreed that pandemic lockdowns enhanced them an opportunity to have time for their families. Furthermore, 70% of the participants agreed, 30% disagreed that pandemic lockdowns increase their family's food consumption. Again, 59% of the participants agreed, 41% disagreed that they were able to learn some skills that increase their revenue during the pandemic lockdowns. The inference from the findings it that COVID 19 lockdown better social interaction of private sectors' employees in Ibadan Metropolis as majority of the respondents testify to the fact that they have substantial time to interact with their family though it was discovered from their responses that the pandemic affects their purchasing power. **Research Question Three:** Do private sectors' employees able to sustain their employment after the ease of COVID 19 lockdown in Ibadan Metropolis?

Table 3: Participants Responses on their Employment Sustainability after COVID 19 Lockdown

S/N	Items	Very true of me	True of me	Least true of me	Not true of me
1.	Stay at home instruction hinders me from going to my place of work.	128 (64%)	39 (20%)	11 (5%)	22 (11%)
2.	I was able to retain my employment during the pandemic lockdown since I can work from home.	57 (29%)	41 (20%)	28 (14%)	74 (37%)
3.	My organisation laid some workers off owing from recession caused by COVID 19 pandemic lockdown.	39 (20%)	33 (17%)	21 (10%)	107 (53%)
4.	Rotational scheme in my place of work afford me opportunity to retain my employment.	29 (14%)	58 (29%)	31 (16%)	82 (41%)
5.	I change my job because my former organisation was unable to pay salary after the pandemic lockdown.	21 (10%)	19 (9%)	14 (7%)	146 (73%)
6.	There is an increase in my workload as a result of COVID 19 lockdown.	38 (19%)	45 (23%)	30 (15%)	87 (43%)
7.	Since there is ease in pandemic lockdown, I have access to salary that can pay my bills.	30 (15%)	41 (20%)	27 (14%)	102 (51%)

Note: Very true of me and true of me were merged to mean "Agreed", least true of me and not true of me were merged to mean "Disagreed".

An independent-sample t-test analysis was carried out, comparing the mean scores of private sectors' employees living standard during and after the ease of COVID 19 lockdown given the P-value of 0.032 and t-value of 2.17. The finding in table 4 shows that significant difference existed between private sectors' employees living standard during and after the ease of COVID 19 lockdown.

Discussion of Findings

The result revealed that COVID 19 pandemic lockdowns affected the purchasing power of private sectors' employees and this was in consonance with the assertion of Keogh-Brown and Smith (2008) who carried out an investigation on the economic effects of the 2003 SARS endemic and discovered that the economic impacts were mainly but not absolutely focused on East Asian regions and that the impacts proceeded beyond airways travel and accommodation, but likewise influence the purchasing power of the workers and directly affect their living standard. However, the finding negates James and Sargent (2006) who argued that indication from previous pandemics confirmed that it is predominantly spending on tourism and transportation that is reduced.

Similarly, it was discovered from the study that COVID 19 lockdowns bettered the living standard of private sectors' employees in Ibadan Metropolis as majority of the respondents testified to the fact that they had substantial time to interact with their families. However, the finding negates the position of Sohrabi, Alsafi, O'Neill, Khan, Kerwan and Al-Jabir (2020) who asserted that there is direct effect of pandemic on health and unfortunately on lives, it is clear now that the corona virus (COVID-19) pandemic is likely to have long-term social and economic effects on global populace owing to the direct and indirect impacts of ailment, the preventive disposition of citizens and the transmission regulation policies of the nations. Exclusively, national income forecast has already been amended downward for most geographical areas and nations, owing to shocks experience by both domestic supply and demand and drastic dwindling in the distribution of goods, services,

capital as well as people. The result also negates the assertion of Gallie and Russell (2009), McGinnity and Calvert (2009) who were of the opinion that impacts of pandemic task pressure may likewise spread to family well-being resulting to unfavourable consequences for employees' families. Former researches have discovered that task pressure is substantially associated with work-to-family conflict.

Moreover, the result shows that private sectors' employees are able to sustain their employment after the ease of COVID 19 lockdown. The finding negates the assertion of Tsai and Chan (2011) discovered that in the congregation of legal and financial sector employees, the economic implication in an pandemic period had a paramount effects on psycho-social work stress, although the effect different contingent on work-load and job insecurity. Similarly, the finding negates Gili, Roca, Basu, McKee and Stuckler (2013) employees were substantially affected by the pandemic, which had a large effect on unskilled employees and many workers with flexible or temporary employment. Gallie (2005) complex levels of duty intensity after pandemic stay at home have been discovered to lead to significant decrease in employees' fitness, as quantified by task satisfaction and by indicator of affective fitness.

Contributing to the issue of workers sustaining their employment after pandemic lockdown, Font, Moncada, Llorens and Benavides (2012) asserted that job insecurity resulting from pandemic may stimulate employees to assent to low salary and poor working context in an effort to preserve their employment.

Fan (2003) posited that the infectious disease will make investment in the business sector reduce drastically, owing from advance risk and uncertainty, graduating to superfluous efforts. Besides, purchasers' trust will deteriorate owing from anxiety about what future holds and insufficient income, advance into decline spending as citizens are forced to stay at home to curb the spread of the infectious disease. Declined consumers' trust may specifically affect economic transaction that may require face-to-face contact like: transportation,

tourism, and retail spending.

Conclusion and Recommendations

The paper investigated economic implication of COVID 19 on private sectors' employees in Ibadan Metropolis. COVID-19 outbreak is likely to have long-term social and economic influence on global proportions owing from the direct and indirect effects of the ailment, the preventive disposition of citizens and the transmission regulation policies of the nations. The onset of an economic recession as a result of corona virus pandemic was related with severe psycho-social working environment, wide spread of work-associated stress and stress-correlated sicknesses among employees. Therefore:

1. Government should formulate favourable policies that will increase the purchasing power of private sectors' employees.
2. Similarly, private sectors' employees should diversify in their skills to augment their source of income.
3. Private business owners should improve employees' welfare package to augment their living standard.

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