

COVID-19 PANDEMIC: IMPLICATIONS FOR SUSTAINABLE NATIONAL DEVELOPMENT GOALS

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Abstract

The impact of the pandemic on society is unclear, long-lasting, and difficult to measure. Problems created by the pandemic emphasize the indivisible character of the 2030 Agenda for Sustainable National Development. It is widely accepted that the 2030 Agenda for Sustainable National Development is indivisible and that the implementation of one Goal has positive or negative effects on the others. "Indeed, beyond the health hazards and human consequences of the pandemic, the socio-economic uncertainties and disruptions come at a substantial cost to the Nigerian economy which is largely dependent on oil and gas revenues. This paper explores the critical aspects regarding the covid-19 pandemic implications on the achievement of the sustainable national development goals (SNDGs). It exposes COVID-19 and the Sustainable National Development Goals (SNDGs) in Nigeria. It reveals implications OF COVID-19 Pandemic on the Nigerian Economy and the emanating effect of COVID-19 on Sustainable National Development Goals (SNDGs) in Nigeria. The paper therefore recommends that, diversification priorities to alternative sectors such as agriculture, solid minerals, manufacturing and services sectors, should be further intensified.

Introduction

The emergence of the coronavirus pandemic with its searing impact on the global economy seems to have drastically slackened economic activities in Nigeria. COVID-19, which was first discovered in December 2019 in Wuhan city (China), is recently a global challenge to health. It has reshaped our focus and altered the existing status quo in the world economy, showing us a new world with the unprecedented macroeconomic challenges. Given that the COVID-19 has rapidly encircled the globe and consequently affected almost all economies, it has been regarded as a pandemic which has engendered a shift of focus by the World Health Organization (World Health Organization, 2020). Also, according to Gorbalenya et al. (2020), International Committee on Taxonomy of Viruses (ICTV) named it a severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

The policy measures and interventions adopted by Federal government of Nigeria could result in unavoidable economic downturn. While the measures of lockdown and social distance introduced in Nigeria to curb the spread of the COVID-19 virus seemed to be necessary, the short-run downside effect is inevitable (McKibbin & Fernando, 2020). The COVID-19 virus has not only threatened the Sustainable Development Goals (SNDGs) but has also worsen the agreed SNDGs (World Bank, 2020). It is a great concern that the current health issue has invariably imposed psychological, social and economic spectrum worldwide. Nigeria as a country has been confronted with enormous social and political challenges (including political instability and conflicts, corruption, bad leadership and food shortages). This development has

made us mostly vulnerable to the effects of the COVID-19 pandemic. In addition, based on the Africa Center for Strategic Studies (2020) report, due to poor health systems; prevailing armed conflicts (such as mass killings); large displacement of the population in refugee camps; and governance deficiencies, Nigeria, South Sudan, Sudan and the Democratic Republic of the Congo are highly exposed to vulnerability.

According to the New Humanitarian (2020) report, the pandemic has added to the risks associated with the delivery of humanitarian assistance in this conflict ridden and fragile economies. Given the pervasive fragile health system and poor economy, Nigeria has been greatly hit by the global pandemic (World Bank, 2020). The suspension of economic activities (lockdowns) brought about by the pandemic in both developed and developing countries has led to dysfunctional economic outcomes. Although the prevailing global economic performance has been predicted to cause a large contraction.

Methodology

This paper adopted the secondary research method as it collected data from existing sources to provide explanations of the research interest. The secondary research is the kind of research that collects data from already available sources. It collects data that was not specifically collected for the purpose of that research but available in other works, database or archives that are accessible. These forms of data are the kind of data usually available for general use by institutions or individuals.

The Sustainable National Development Goals in Nigeria

Following the adoption of the 2030 Agenda, Nigeria began to implement the SNDGs almost immediately. First, it established institutional frameworks at the national and sub-national levels to support effective implementation. With this early head start, several strategic initiatives were implemented between 2016 and now, while others are still ongoing (The Sustainable Development Goals Center for Africa, 2020). Nevertheless, just as Nigeria commenced the ‘Decade of Action’ for the SNDGs in January 2020, the outbreak of COVID-19 took place, thus challenging the prospects of achieving the SNDGs in Nigeria. This Report examines the impact of COVID-19 on specific SNDGs. It would be recalled that Nigeria recorded its first index case on 27 February 2020. Despite measures taken by the federal and state governments to curtail the spread of the pandemic across the country, its adverse impact on socio-economic development and other consequences will last beyond 2020 (SDGCA, 2020).

Expectedly, the most significant impacts of COVID-19 have been on the Nigerian economy and the health system. Pre-COVID-19, in 2019, the health sector received only 25 per cent of its funding requirements, putting a strain on the coping capacity of the ‘country’s health systems (WHO, 2020). Funding is now shifting towards COVID-19, leaving other healthcare needs to suffer a further reduction in funding allocation. Federal and state governments, as well as development partners and organized private sector, have stepped up efforts to increase the financing of the health sector. The inauguration of the Presidential Task Force on COVID-19 and the establishment of the fiscal stimulus package are steps in the right direction. The Federal government has secured life insurance for all frontline health workers participating in the ongoing fight against the spread of COVID-19 in Nigeria and cash transfers

have been extended to over 10-million Nigerians, using the existing database within the National Social Investment Office (NSIO) (OECD, 2020).

Meanwhile, the socio-economic uncertainties and disruptions come at a substantial cost to an economy that is mainly dependent on oil and gas revenues, which have plummeted. Some of the most effective ‘social vaccines’ against COVID-19 are restrictive suppression response interventions, such as lockdowns, which however disproportionately impact on the poor and their livelihoods. The provision of timely and adequate palliatives to the poor and vulnerable members of the society will ease tension and prevent social unrest while the country is locked down to overcome the virus (Singh, 2020).

COVID-19 and the Sustainable National Development Goals (SNDGs)

Global phenomena that represent a core focus of the SNDGs have been significantly altered, drawing our attention to new realities and ways of life we did not imagine before. Mobility and migration are heavily affected through lockdown measures with significant human and economic costs in Nigeria. In Nigeria as a country, according to Kiangoi, (2020), the pandemic has triggered an economic crisis of large proportions with augmented impact, putting a large number of people in poverty, for the first time in three decades, poverty is increasing. The economic consequences are significant and widespread, affecting all areas of Nigerian economy, including capital flows, business operations, employment and jobs. Education is forcefully digitalized, impacting over 1.2 billion learners in over 170 countries (72% of all learners) during the initial lockdown (Soto, Moszoro & Pico, 2020).

Moreover, the decreasing trend in democratic government conduct is accentuated as states of emergency were imposed during the first wave and are recently reinstated as the second wave of the pandemic is emerging. Many of the above global trends pre-date COVID-19, being accentuated as the pandemic progresses, including digitalization, authoritarian and extreme right tendencies, and growing global inequality (Singh, 2020). We were already behind on reaching the Sustainable National Development Goals (SNDGs) before the COVID-19 pandemic started. In essence, the pandemic is bringing tension at a global level by giving on the one hand reasons for closing borders, restricting the movement of people and goods, and authoritarian actions, while on the other hand requiring global collaboration for tackling the pandemic, which is inherently global (Kiangoi, 2020).

In terms of positive consequences, the multilateral system is enhanced by the pressures for collaboration brought by the pandemic. Additionally, advancements in digitalization and consolidation of health, educational and social services will bring long-term benefits. From an environmental perspective, limited mobility brings improvements in air quality and decreases CO2 emissions, having positive consequences, at least in the short term. Although somewhat contradictory, the SNDGs in the COVID-19 context guide and encourage mitigating the negative impact of the pandemic and provide a framework where much-needed leadership and responsibility can unfold (Filho et al., 2020).

The timeframe for SNDGs implementation entered the “Decade of Action” until 2030, but the SNDGs are far from being on track. In light of the pandemic, the “Decade of action” should be re-launched as a ‘Decade of Recovery and Action’ using the SNDGs as a global framework. Due to the unexpected crisis, the shift of Member States’ priorities, which are also the main entities responsible for the implementation of the 2030 Agenda, is diminishing the efforts to reach the SNDGs (SDGCA, 2020). However, to avoid risking the progress achieved

to date, the crisis can be used as an opportunity to strengthen commitment to the 2030 Agenda. By placing sustainable development at the core of recovery plans, a better response to future crises is enabled, implying stronger health systems, fewer people living in extreme poverty, less gender inequality, a healthier natural environment, and more resilient societies (Sachs et al., 2020). Balanced ecosystems are important for disease control, which highlights the significance of understanding the interdependencies between people and ecosystems.

Implications of COVID-19 Pandemic on the Nigerian Economy

For most developing economies, the odds of sliding into a downturn are gradually expected as the global coronavirus outbreak puts severe pressure on the economy. For Nigeria, the country is still sluggishly grappling with recovery from the 2016 economic recession which was a fall out of global oil price crash and insufficient foreign exchange earnings to meet imports (Evans & Over, 2020). In the spirit of economic recovery and growth sustainability, the Nigerian federal budget for the 2020 fiscal year was prepared with significant revenue expectations but with contestable realizations. The approved budget had projected revenue collections at N8.24 trillion, an increase of about 20% from 2019 figure. The revenue assumptions are premised on increased global oil demand and stable market with oil price benchmark and oil output respectively at \$57 per barrel and 2.18 million Barrels Per Day (The National Bureau of statistics, 2019).

According to Fagbemi & Asonju (2020), the emergence of COVID-19 and its increasing incidence in Nigeria has called for drastic review and changes in the earlier revenue expectations and fiscal projections. Compared to events that led to recession in 2016, the current state of the global economy poses more difficulties ahead as the oil price is currently below US\$30 with projections that it will dip further going by the price war among key players in the industry. Unfortunately, the nation has grossly underachieved in setting aside sufficient buffers for rainy days such as it faces in the coming days. In addressing these daunting economic challenges, the current considerations to revise the budget downward is inevitable. However, certain considerations that are expected in the review must not be left out. The assumptions and benchmarks must be based on realizable thresholds and estimates to ensure optimum budget performance, especially on the non-oil revenue components.

Furthermore, cutting expenditures must be done such that the already excluded group and vulnerable are not left to bear the brunt of the economic contraction. The economic and growth recovery program which has the aim of increasing social inclusion by creating jobs and providing support for the poorest and most vulnerable members of society through investments in social programs and providing social amenities will no doubt suffers some setbacks (Ajia, 2020). Besides, the downward review of the budget and contractions in public spending could be devastating on poverty and unemployment. The last unemployment report released by the National Bureau of Statistics (NBS) ranks Nigeria 21st among 181 countries with an unemployment rate of about 23.1%. The country has also been rated as the poverty capital of the world with an estimated 87 million people living on less than \$2 a day threshold (NBS, 2019).

The decision to cut the retail price of gasoline under a price modulation arrangement is a welcome development. The cut is expected to curb rising inflation, especially food price inflation which will mainly benefit the poor. However, rather than the price capping regime introduced, by which it is expected of the Petroleum Products Price Regulation Agency

(PPPPRA) to constantly issues monthly guide on appropriate pricing regime. It is expected that the government will use this opportunity to completely deregulate the petroleum industry in line with existing suggestions and reports. In the event that the global economy becomes healthier and crude oil prices increases, the government might return to the under-recovery of the oil price shortfall by the Nigerian National Petroleum Corporation (NNPC). A policy that annually costs the government huge revenue and recurring losses to the NNPC (Buheji et al., 2020).

Basically, the Nigerian government essentially must lead economic diversification drive. It is one practicable way to saddle through the current economic uncertainties and instabilities. What the implications of COVID-19 pandemic should further offer the Nigerian economic managers and policymakers, is that the one-tracked, monolithic reliance on oil is failing (Fagbemi & Adeoye, 2020). Diversification priorities to alternative sectors such as agriculture, solid minerals, manufacturing and services sectors, should be further intensified (AUC, 2020).

The Emanating Effect of COVID-19 on Sustainable National Development GOALS (SDGs) in Nigeria

There are two key scenarios linked to COVID-19. The two scenarios are; economic output if the spread of the virus continues and economic output when the virus can be curtailed. If the pandemic keeps spreading with persistent economic disruptions, Nigerian economy would likely witness a critical recession (World Bank, 2020). The gradual rise and spread of the disease in Nigeria has further dampened the growth and developmental outlook of the country. Reflecting on the earliest impacts (such as slackened economic activities) of the virus, Proshare (2020) reported that in Q1 2020 a drop of -0.23% points was recorded for growth rate compared to Q1 2019, and -0.68% points compared to Q4 2019, due to the disruptions in economic activities. Also, as the health crisis demands huge financing to cushion the adverse health, economic and social consequences, SNDGs financing gap has widened (OECD, 2020). Given the limited resources and fiscal space, the pandemic has pushed Nigeria into severe financial difficulties. The contraction of international trade, travel and domestic consumption, resulting from intervention measures adopted. These measures, which include lockdowns and suspension of economic activities, have suppressed tax revenues from consumption taxes on which most low-and middle-income countries rely including Nigeria (Kapoor & Buitier, 2020; IMF, 2020). The decline in public revenues has caused unemployment, theft and others socio-economic issues to escalate. For now, the fragile progress on SNDGs seems to have been disrupted by prevailing economic realities. Overall, the current fiscal condition may discourage private investors who need to key into a viable fiscal level for better business performance and effective partnerships with the state.

The present crisis and inadequate financing for sustainable development are aggravating the low human capital development level. As the World Bank (2018) reported that Nigeria is one of the lowest ranked countries in the human development index, out of 157 countries ranked, following results achieved on health and education, Nigeria placed 152 in the ranking. Both the general health crisis and the socioeconomic shock have room for severe developmental challenges.

The closure of schools has denied many the opportunity to learn, especially the poor. The gap between the rich and poor keeps widening. In the face of deteriorating socio-economic conditions, current economic realities have given rise to social unrest (UNDP, 2020). To put this into context, Nigeria stands out as likely to add 8 million to the poverty rolls in 2020, while India may be 10 million (Kharas & Hamel, 2020). According to Mahler et al. (2020), even employing the less-demanding World Bank threshold of counting countries that are off-track to attain the SNDG goal of eradicating poverty, the COVID-19 impact could escalate poverty in Nigeria. Thus, Nigeria would be among countries that might have the largest rise in poverty rates at least 3% points in 2020. In view of several SNDGs issues (including high poverty rate; poor health and well-being; weak quality education; inequality; and poor economic growth), how to curtail the devastating effects of the COVID-19 pandemic remains critical to Nigeria's sustainable development 2030 agenda.

Conclusion

The preoccupation with the COVID-19 spread could cause many other critical issues such as infrastructural deficiencies, prevailing armed conflicts (like present terrorist attacks (Boko Haram) on communities, and other social unrest), poor education quality, inequalities, fragile fiscal space, and weak institutions, to suffer a terrible state of neglect or likely be overlooked. Like other developing countries, Nigeria could become poorer, given the increased unemployment rates and the anticipated difficulties in servicing debt. Hence, the festering challenges including poverty, inadequate food supplies, limited access to health care, poor road networks among others, would be further entrenched. These could be harmful to sustainable development goals (SNDGs) 2030 agenda.

The current crisis therefore poses threat to Nigeria's development prospects, as it may take more time to recover, especially in the post-COVID-19 era. Thus, it is critical to know the importance of securing strong institutional regulatory setup and resources (including financial and material resources) needed to facilitate sustainable change in the economy. For instance, any strategy should be conflict sensitive approach in such a way that it will incorporate the identification of risk and opportunities as central to ensuring that the existing fragility is not worsened by government strategies.

Recommendations

The following recommendations are made:

- i. There is a need for the government to work fast in scaling-up efforts to expand the fiscal space for SNDGs' implementation and also work closely with state and non-state actors to cascade and strengthen advocacy for the SNDGs across the 774 Local Government Areas (LGAs) in Nigeria.
- ii. There is need to judiciously use the re-aligned National Statistical System (NSS) to effectively track and monitor the implementation of the SNDGs on an annual basis. This will inform targeted SNDGs' interventions across the country.
- iii. There is need to consciously use the Nigeria SNDG simulation model to develop the next National Development Plan (2021-2025) and support the domestication of the Planning Model across the 36 states.
- iv. Diversification priorities to alternative sectors such as agriculture, solid minerals, manufacturing and services sectors, should be further intensified.

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