

SOCIAL IMPACTS OF COVID 19 PANDEMIC ON THE INFORMAL SECTOR IN NIGERIA

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ABSTRACT

This paper centers on the impacts of the COVID 19 pandemic on the informal sector workers in Africa with a focus on Nigeria. The goal of this study was to determine the extent to which the COVID-19 pandemic has impacted Nigeria's informal sector, as well as to prescribe solutions to the concerns. As such, the study adopted a desktop research approach in which a thematic analysis of existing literature on the informal sector in Nigeria served as the basis for the arguments presented. Key issues highlighted in the paper include socio-cultural factors influencing the growth of the informal sector in Nigeria, as well as the socio-cultural factors that worsened the COVID 19/economic crisis in Nigeria. The impact of the COVID 19 pandemic on the informal sector in Africa as a whole, and Nigeria in particular, was also discussed in the paper. Theoretically, there are two opposing perspectives on the informal economy's role in a crisis: optimistic perspectives that see the informal economy surviving the crisis, and pessimistic perspectives that see the ongoing informal economy continuing to suffer losses, as well as informal workers as vulnerable groups during a crisis. Furthermore, the study provides

conclusions and recommendations for resolving the issues. The guidelines include but are not limited to the following: Government should ensure availability and accessibility of quality health services, informal sector workers should collaborate with non-governmental organizations and social workers to press for policy change that will improve their welfare, and finally, government, non-governmental organization and social workers should provide financial support to the informal sector in form of low-interest loans and grants to provide capital.

Keywords: impact, COVID-19, pandemic, Informal Sector, Africa, Nigeria

INTRODUCTION

The informal sector is defined by the International Labor Organization (ILO) (2002) as units engaged in the production of products and services with little or no division between labor and capital as factors of production & on a small scale with [no] formal guarantees. The informal sector has a significant economic multiplier effect in developing countries (Tichaawa, 2017). The sector is a separate area of economic activity and a section of fundamental importance in the economic and social life of the majority of countries, particularly in Sub-Saharan Africa, due to its substance and function in contemporary culture (Benjamin & Mbaye, 2014; Grant, 2015; Rogerson, 2005, 2018).

Globally, two billion people – or more than 61 percent of all employed individuals – work in the informal economy, with emerging and developing nations accounting for 93 percent of all informal employment. Education is recognized as a crucial component in informal employment (Wire 2018). Sub-Saharan Africa has the greatest labor force participation rate of any area in the world, at 67.6% (62.7 percent female, 72.6 percent male), compared to a global average of 60.5 percent (47 percent female, 74 percent male) in 2020. (ILO STAT, 2020). According to the latest estimates, non-agricultural employment in the informal economy accounts for 76.8% of total employment in Sub-Saharan Africa; when agriculture is factored in, the figure rises to 89.2% (ILO, 2018).

Nearly 90% of the workforce in Sub-Saharan Africa is employed in the informal economy (Schwettmann, 2020). Workers in the informal economy, who are predominantly self-employed, are particularly vulnerable to health shocks because they are largely uninsured, rely on low and irregular incomes, are underrepresented in local and national governance structures, and are not protected by labor laws (Schwettmann, 2020). Although the continent's frequency of infections is now low, these limitations enhance the possibility of the 2020 coronavirus pandemic and the resulting global economic collapse having a severe impact on the lives and livelihoods of Africa's informal economy workers (Schwettmann, 2020)

COVID-19, whose pandemic has an impact on economic performance, sustainability criteria, and development processes, is associated with a significant level of uncertainty (El et al., 2020). Informal sector participants are especially exposed to illness outbreaks due to their living and working situations. A cascade of job losses and bankruptcies has resulted from the COVID-19 shock and its negative economic implications. This epidemic has depleted payrolls and resulted in widespread pay cuts, furloughs, and layoffs, with firms and workers in the hospitality, service, tourism, and transportation industries being particularly badly hit (World Bank, 2020a).

Although the coronavirus outbreak that started in China's Wuhan province spread to Nigeria, the outbreak became uncontrollable in Nigeria due to weak institutions that were ineffective in

responding to the pandemic and a lack of social welfare programs that would have catered for poor and vulnerable citizens who were affected by the crisis (Ozili, 2020). Panic buying, individuals and businesses hoarding foreign currency for speculative purposes, a flight to safety in consumption, households stocking up on essential food and commodity items, and businesses asking employees to work from home to cut costs all contributed to the fear of financial and economic collapse (Ozili, 2020).

Lockdown procedures have aided in the containment of the coronavirus's spread all across the world. They have, however, exacted a tremendous economic price, particularly for the world's poorest and most vulnerable people, who rely on the informal sector to survive. Many people cannot afford the luxury of remaining home. This is particularly true in many African countries, where 80-90 percent of the population works in the informal economy, relying on the sale of basic items and services like fruits, vegetables, and home supplies to make a living. The epidemic has the potential to undo decades of economic development and poverty reduction in the region. According to new projections, countries in Sub-Saharan Africa, such as Nigeria, may lose up to \$79 billion in GDP by 2020. (Dube & Namirembe Katende, 2020).

While much attention has been paid to the public health and socioeconomic aspects of the pandemic on a larger scale in Africa, the socioeconomic implications of the pandemic in Nigeria have largely been overlooked, even though the majority of the country's population works in the informal sector. In light of the preceding, the purpose of this study was to look into the impact of COVID-19 on Nigerian employees in the informal sector.

BRIEF OVERVIEW OF AFRICA'S EXPERIENCE OF COVID 19 PANDEMIC

The virus that causes coronavirus disease 2019 (COVID-19) is the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). COVID-19 was designated a pandemic by the World Health Organization (WHO) on March 11, 2020, in a message sent by WHO Director-General Dr. Tedros Adhanom Ghebreyesus, due to the fast-increasing number of new cases outside of China. The COVID-19 pandemic arrived in Africa later than the rest of the world; the continent's first case was confirmed in Egypt on February 14, 2020; the first case in Sub-Saharan Africa was reported on February 27, 2020, in Nigeria. (Shabir & Aijaz 2020). Since then, the total number of cases has increased to 610,807, with 13,456 fatalities and 305,861 recoveries as of July 13, 2020. (African Union CDC, 2020). South Africa (78,800 confirmed cases), Nigeria (33,200), Ghana (25,000), and Cameroon (15,200) have been particularly heavily impacted, whereas five countries (Lesotho, Gambia, Seychelles, Botswana, and Namibia) had reported less than 100 cases each by the end of June (African Union CDC, 2020). However, it is widely assumed that the lower number of COVID-19 cases in most African nations is due to insufficient health systems, limited or non-existent diagnostic capacity, poor reporting systems, and a lack of medical personnel (Rutayisire, Nkundimana, Mitonga, Boye & Nikwigize, 2020).

Only two of the 47 nations covered by the WHO Regional Office for Africa were able to test for COVID-19 at the start of the epidemic; 44 countries have since acquired testing capability. According to studies, South Africa accounts for about half of all coronavirus infections on the African continent, which could be due to the country's significantly higher testing capability than the rest of the area. This implies that the real number of coronavirus infections on the African continent may be far higher than the number of cases recorded. Many African countries have implemented a combination of containment and mitigation measures in response to COVID-19

to prevent a rise in cases that could overload hospital capacity while also safeguarding the medically vulnerable, such as the elderly and those with comorbidities (Schwettmann, 2020).

COVID 19 PANDEMIC, NIGERIA'S EXPERIENCE

According to Ozili (2020), the coronavirus reached Nigeria via an infected Italian citizen who came into contact with a Nigerian citizen who was then infected. After that, the coronavirus spread throughout Lagos and the rest of the country. The following are some of the reported cases:

Table 1: Confirmed Covid-19 cases in Nigeria

Timeline	Confirmed cases	Affected states
17/03/2020	3	Lagos
21/03/2020	22	Lagos, Abuja and Ogun
30/03/2020	131	Lagos, Abuja, Bauchi, Enugu
Source: Nigeria Centre for Disease Control (NCDC)		

SOCIO-CULTURAL FACTORS THAT EXACERBATED THE COVID 19/ECONOMIC CRISIS IN NIGERIA

According to Ozili (2020), some of the socio-cultural factors that exacerbated the COVID - 19/ economic crisis are as follows:

Poor public health infrastructure

Nigeria's public health sector has inadequate infrastructure, including inadequate emergency services, few ambulance services, ineffective national health insurance systems, and insufficient primary health care facilities, and these issues have been linked to the country's high maternal and infant mortality rates (Muhammad, Abdulkareem, & Chowdhury, 2017). Nigeria's healthcare system is currently divided into two parts: a huge public sector and a smaller private sector. Nigeria's private healthcare sector is modest in comparison to wealthy countries due to a lack of funding for private health insurance (Ozili, 2020).

Furthermore, out-of-pocket spending still accounts for 70% of total healthcare spending in Nigeria, implying that the majority of Nigerians either do not trust or rely on the country's health insurance systems or are unaware that health insurance is available. Despite the introduction of the National Health Insurance Scheme (NHIS) in 2004, only about 5% of the total population was covered by health insurance in 2019 (Ozili, 2020).

The pharmaceutical industry in Nigeria is not without issues. Nigeria's pharmaceutical industry is one of the largest in West Africa, with a market share of roughly 60%. However, the majority of the Active Pharmaceutical Ingredients (API) used in Nigeria are imported from China, and only 10% of the drugs are manufactured in Nigeria (Ozili, 2020). Many issues confront the

industry, including inadequate infrastructure and unreliable utilities, a scarcity of skilled workers, limited access to capital, a lack of appropriate government incentives, policy incoherence by the government, and low demand due to fierce competition from Asian companies, particularly China, high cost of doing business as a result of imported and expensive production inputs, and regulatory issues, among others (Ozili, 2020). Nigeria's drug market is essentially unregulated due to health services' inability to block the entry of illegal pharmaceuticals and trace informal drug merchants who operate without a registered license (Fatokun, 2016).

Informal drug sellers are believed to account for more than 70% of the pharmaceutical market in the country, and these agents use informal channels to import inferior and counterfeit pharmaceuticals. According to research, private institutions produced 78 percent of low-quality pharmaceuticals compared to public facilities, with the majority of these private facilities being unregulated. During the crisis, Nigeria's unregulated pharma market was a major contributor to the spread of low-quality drugs (Klantschnig and Huang, 2019).

Nigeria struggled to cope with the fast-spreading Covid-19 disease during the epidemic due to shortcomings in the country's public health system. Because the APIs used to make suppressant drugs could no longer be imported because China had shut down its factories and closed its borders to control the coronavirus pandemic that was ravaging the country at the time, local drug manufacturers were unable to produce drugs that could temporarily suppress coronavirus in infected patients (Ozili, 2020). In many states, including Abuja and Lagos, there were also insufficient isolation centers. In Lagos, the number of infected patients escalated to the point where a stadium was transformed into an isolation center. Finally, Nigeria's inadequate public health system was overwhelmed by the Covid-19 pandemic (Ozili, 2020).

A digital economy that is poor and underdeveloped

Nigeria had had a weak and underdeveloped digital economy before the Covid-19 pandemic. There were few institutions or schools that provided a complete educational curriculum online from beginning to end. The majority of enterprises, including banks and technical firms, followed the old 'come-to-the-office-to-work' model rather than the 'working-from-home' approach (Ozili, 2020). Nigeria's commercial environment has been challenged by the advent of a new coronavirus. It had a short-term influence on sectors and markets. If these markets and sectors had a large digital operating infrastructure, their operations would have been minimally impacted. During the Covid-19 epidemic, the only services available through the current digital infrastructure were telecommunications, digital bank transactions, and internet access (Ozili, 2020).

The digital economy would have played a major role in driving recovery from the economic crisis if Nigeria's digital economy was robust and well-developed. For instance, in Nigerian schools and universities, educators can put coursework online so that students quarantined at home don't have to miss out on key aspects of their education while school is closed or when students can't get to school. E-commerce apps that enable online buying and selling can allow buyers and sellers to make purchases and sales while staying in their homes (Ozili, 2020).

In addition, telehealth apps for health and wellness checks can enable people in all affected locations to take extra precautions by monitoring their vital signs and learning how to lower their infection risk. Also, family members may keep an eye on their parents, grandparents, and siblings without having to physically visit them, providing a level of comfort that would be

impossible to achieve over the phone (Ozili, 2020). Virtual assistants can aid internet delivery businesses in ensuring that goods purchased from online grocery stores are delivered when customers need them. Businesses that don't want their employees to travel or whose employees are hesitant to travel can use software platforms and video conferencing technology to keep in touch with team members, clients, and prospective clients all over the world. All of this is achievable when the digital economy is stable and well-run (Ozili, 2020).

Digital technology helped many businesses in industrialized countries survive the effects of the Covid-19 outbreak outside of Nigeria, and it also provided an opportunity to improve the country's digital economy. A well-developed digital economy in Nigeria, achieved through the widespread use of digital technology, would play a larger role in minimizing the consequences of the country's crisis and supporting economic, social, and healthcare system development in the future (Ozili, 2020).

Lack of Social welfare programs

Child abandonment, armed robbery, homelessness, mental health issues, divorce, and issues with single parenting were all serious socioeconomic issues in Nigeria before the Covid-19 pandemic. Serious social welfare policies and programs are the only way to address these societal issues. However, social assistance programs in Nigeria are currently underdeveloped, underfunded, and inaccessible to the bulk of individuals who use them. Nigeria lacks a comprehensive national social welfare program that provides health care, food stamps, unemployment benefits, disaster relief, and educational support to all individuals and families in need (Ahmed, Alhassan, & Alshammari, 2017)

The lack of a comprehensive social welfare policy became obvious during the 2020 coronavirus outbreak. During the outbreak, people had nothing to fall back on, and the poor were refused social services that would have helped them cope with the economic challenges of the time. Individuals who were most impacted by the coronavirus outbreak received no housing assistance, no energy or utility assistance, and no assistance with other basic needs. There are discussions over the benefits of employing social welfare programs to reduce poverty and assist citizens in disaster recovery, and social welfare theories offer varied perspectives on how social welfare might be designed to meet people's basic needs (Abramovitz, 2001). Providing social welfare services to vulnerable citizens in the population has been proven to protect them from economic hardship in bad times, and the lack of such services for vulnerable people, households, and poor individuals during the coronavirus outbreak in Nigeria caused severe pain and economic hardship to households and poor individuals. As a result, policymakers in Nigeria do not prioritize social welfare (Ewalt and Jennings Jr, 2014).

INFORMAL SECTOR IN AFRICA

The term 'informal sector' was coined by Sir William Arthur Lewis (1915-1991). In 1979, he won the Nobel Memorial Prize in Economics for his work as an economist from Saint Lucia. He was referring to work that took place outside of the formal economy, or outside the modern industrial sector (Market Business News, n.d)

The informal sector is defined as a collection of units engaged in the production of goods or services with the primary goal of providing employment and income to those involved (ILO 2003). These units are usually small and function at a low level of organization, with little or no

separation between labor and capital as production components. Where labor relations do exist, they are primarily based on informal work, kinship, or personal and social relationships, rather than contractual agreements with formal assurances (ILO 2003). In addition, the informal sector refers to all economic activities carried out by people and economic units that are not or insufficiently covered by official arrangements in law or practice (ILO 2003).

The informal economy, also known as the black economy, shadow economy, or gray economy, is a segment of a country's economy that is not recognized as a legitimate source of revenue. Informal workers do not declare their earnings and do not pay taxes on them. Drug pushing and smuggling are examples of illicit actions. Cleaning automobile windshields at traffic lights or performing construction work, i.e. legal work, are examples of what it entails. People who are forced to work without pay fall into this category. It also includes industries where people labor for something other than money in exchange for their services (Market Business News n.d.). The informal sector is vulnerable to a wide range of external shocks due to several factors. Shocks can have serious consequences for individuals and businesses that operate in them, depending on their severity and duration (Daniel, Danquah, Sacchetto, and Telli, 2020).

According to the International Labor Organization (ILO), the informal sector in Sub-Saharan Africa (SSA) employs over 70% of non-agricultural workers and accounts for over 90% of all economic units, contributing between 30 and 65 percent of GDP (GDP). Informality manifests itself in a variety of ways and is rarely as distinct from the formal economy as it appears to be. In Sub-Saharan Africa (SSA), for example, informal workers include self-employed people (who account for 52 percent of all non-farm workers), people employed by legitimate businesses that operate informally (11 percent), people employed or engaged informally by businesses that operate in the formal sector (10 percent), and people employed as domestic workers in households (4 percent) (ILO, 2018)

SOCIO-CULTURAL FACTORS INFLUENCING THE GROWTH OF THE INFORMAL SECTOR IN NIGERIA

According to De Soto, (2000), Onwe, (2013), and ILO, (2002) the following interrelated and overlapping factors explain the growth of the informal sector

1) Restricted capacity to absorb excess labor: It has been discovered that the informal sector has grown in size in tandem with the growing number of applications due to the limited capacity of agriculture and the formal economy to absorb extra labor. As population expansion or urbanization develops in nations like Nigeria, the informal sector tends to absorb the majority of the additional labor, particularly in metropolitan areas (De Soto, 2000, Onwe, 2013, ILO, 2002).

2) Barriers to entry into the formal economy: The formal economy in most developing nations is saturated, making it difficult for new entrants to find work. Officials in the formal sector frequently use monopolistic techniques to block entry (De Soto, 2000, Onwe, 2013, ILO, 2002).

3) Institutional incapacity: The informal sector's rise was aided by formal institutions' inability to offer education, training, and infrastructure, as well as other incentives for structural improvements (De Soto, 2000, Onwe, 2013, ILO, 2002).

4) Redundancies: In Nigeria, structural adjustment measures implemented in the 1980s and 1990s appear to have fostered the informal sector's rise. Many laid-off people were compelled to seek alternate means of sustenance in the informal economy as a result of the absence of

public sector jobs and the closure of non-competitive firms (De Soto, 2000, Onwe, 2013, ILO, 2002).

5) Demand for low-cost products and services: Urban migration has aided the growth of the informal economy by increasing the demand for low-cost goods and services from both formal and informal businesses (De Soto, 2000, Onwe, 2013, ILO, 2002).

7) Non-committed governments: Many governments in developing economies appear to be oblivious of the informal sector's economic importance and, as a result, haven't made any commitments to it. It is commonly assumed that the informal economy would eventually vanish. As a result, there is a thriving informal economy with minimal official stumbling blocks (De Soto, 2000, Onwe, 2013, ILO, 2002).

8) Economic hardship and poverty: The informal economy has grown dramatically as a result of migration from rural cities, primarily owing to poverty and a lack of governmental facilities. The majority of employment was in the informal economy due to a lack of effective mechanisms to assist integrate labor into the national economy. In developing countries, this is particularly true (De Soto, 2000, Onwe, 2013, ILO, 2002).

The new coronavirus (COVID-19) outbreak in China has had a huge impact on the world, as it has turned into a significant pandemic that affects millions of individuals all over the world, regardless of geography, age, race, gender, or other factors. Globally, declining GDP rates wreak havoc on health, education, and economic advancement. While this is primarily a public health disaster that has claimed the lives of thousands of people around the world and continues to do so, the economic impact will be massive, resulting in huge economic problems in both the official and informal sectors (Ezimma, Ifeanyi, & Clara, 2020). Although statistics on the informal sector are unreliable, they can give a rough idea of its significance (Oluranti, Odunaike & Jawando, 2015).

The state of typical economic crises differed from that of epidemic disasters. This is because the pandemic began with the community's overall living system, rather than the economic structure. As a result, the COVID-19 outbreak's economic crisis was a side effect. It's worth noting that since the outbreak was declared a pandemic, the crisis it sparked has had global ramifications (Pitoyo, Aditya, and Amri, 2020).

Countries around the world are battling to contain the spread of the COVID-19 pandemic while also attempting to protect livelihoods, provide adequate help to those in economic distress or displaced persons, and put their economies back on a healthy recovery path. While the virus is the same everywhere around the world, the infection's physical, economic, and social effects vary dramatically depending on the context. The young population, high informality, underdeveloped health systems, and governments' limited fiscal space in Sub-Saharan Africa (SSA) make the pandemic's problems and repercussions distinctive in comparison to other locations (Daniel et al, 2020)

Because of the complex crises produced by the COVID-19 pandemic, one of the key concerns is the informal sector. Informal workers have been identified as a vulnerable group due to their poor wages and lack of access to social protection (Pitoyo et al, 2020). The informal sector's size, pervasiveness, economic and political importance, and pre-existing vulnerabilities in Sub-Saharan African countries, in particular, complicate governments' ability to respond effectively

to the COVID-19 situation (Daniel et al, 2020)

As a result of the current crisis, a sudden increase in poverty and inequality will have long-term social and economic consequences. Even in normal times, the great majority of informal economy employees in Sub-Saharan Africa are exposed to occupational health and safety dangers, and the COVID-19 pandemic has only made matters worse (ILO 2020; Resnick, Spencer, and Siwale 2020). As a result, informal laborers in Sub-Saharan Africa (who account for about 90% of the labor force) are among the most sensitive to COVID-19's health and economic effects (Resnick et al. 2020; ILO 2020; Rogan and Skinner 2020).

Global trade has plummeted, investments have been postponed, factories have closed, and domestic demand has been slashed, putting tens of thousands of jobs at risk (United Nations 2020; UN-Habitat 2020). Loss of jobs and income, as well as high healthcare costs, are likely to be the most significant effects of the COVID 19 pandemic on the informal economy at the household level. People in nations like Nigeria, who have a significant informal sector, inadequate or unavailable healthcare, and a weak social safety system, are especially vulnerable (Duerksen 2020; UN-Habitat 2020)

IMPACTS OF COVID 19 PANDEMIC ON THE INFORMAL SECTOR IN NIGERIA

Nigeria's economy is the largest in Sub-Saharan Africa, and oil is the country's primary source of foreign exchange earnings and government revenue. According to the Nigerian Ministry of Labour and Productivity, the informal sector of the economy accounts for at least 90% of new job vacancies in the country. Similarly, the Lagos office of the Federal Ministry of Labour stated that the informal sector employs 80% of non-agricultural workers, 60% of urban workers, and over 90% of new jobs in Nigeria (Ahiuma-Young, & Adeniyi, 2008). For many Nigerians, the informal sector is arguably the greatest employer of labor and a source of income. As a result, it makes a substantial contribution to the national economy in terms of employment and income generation. The Nigerian economy is anticipated to plummet due to a prevalent informal sector and the outbreak of Covid-19 (Tamunomiebi. & Ukachukwu, 2018, Ahiuma-Young, & Adeniyi, 2008).

The advent of the COVID-19 pandemic put basic commodity provisions in various African countries in jeopardy. Furthermore, many people who work in the informal economy have large families and are trying to support them (Masiyiwa, 2020). Many additional stakeholders that rely on informal business economic operations were harmed by the closure of the country's informal business sector as a result of the COVID 19 crisis. Bus drivers and commodities carriers, domestic informal traders, the general public, and other formal and informal establishments throughout Africa, including Nigeria, are among them. (Karombo & Mataranyika, 2020; Masiyiwa, 2020; Nyathi, 2020; Nyoka, 2020). The halt in the supply of basic commodities purchased from other countries has not only had a significant impact on the limited provisions, but it has also had a significant impact on the household income of stakeholders who solely rely on the informal business economy, forcing most people working in the informal sector to find alternative survival strategies during the COVID-19 era as they lost their jobs (Makoni & Tichaawa, 2021).

Furthermore, corporate investments will be harmed by the uncertainty that comes with limited knowledge of the pandemic's duration, the effectiveness of policy measures, and the response of economic agents to these measures - as well as negative investor sentiment that is causing

a stir in the world's capital markets. Indeed, the crisis has caused a significant drop in stock values, with the Nigerian Stock Exchange posting its worst performance since the 2008 financial crisis, eroding investor wealth. Firms may postpone long-term investment choices due to plague-related uncertainties and a bleak profit forecast for possible investment initiatives (Onyekwena & Ekeruche, 2020). Unfortunately, government acquisitions will rise as governments, who can normally afford to run budget deficits, use fiscal stimulus to offset the drop in consumer expenditure. The drop in global demand for goods caused by the epidemic, on the other hand, will dramatically worsen the fiscal deficits of commodity-dependent nations (Ezemma K. et al., 2020). On April 2, the price of Brent crude oil was a little over \$ 26 per barrel, whereas Nigeria's budget was estimated at \$ 57 per barrel, resulting in a \$ 2.18 trillion (\$ 6.05 billion) deficit (Ezemma K. et al., 2020). Similarly, since oil accounts for 90% of Nigeria's exports, a drop in oil and oil prices will harm the volume and net value of the country's exports. Indeed, the Nigerian government is being forced to decrease planned spending due to the sharp drop in oil prices caused by the outbreak (Ezemma K. et al., 2020)

In addition, the Covid-19 pandemic impacted informal sector employees' borrowing capability, resulting in nonperforming loans (NPLs), which lowered bank earnings and harmed bank soundness and stability. As a result, banks have been wary of lending, as more and more borrowers have been unable to repay debts given to them before the Covid-19 outbreak (Ozili, 2020). However, even after the virus has been eradicated, the repercussions of a pandemic will persist. Studies on the long-term impacts of the Spanish Flu have shown that infants born to infected women are more likely to have poor learning abilities, poorer incomes, and lower productivity than other people. Most nations, including Nigeria, were already in a recession before COVID-19, and there is no reason to believe that the current economic crisis will not have intergenerational consequences, particularly for the poor and marginalized informal sector workers (Pitoyo et al., 2020).

THEORETICAL THRUST

Theoretically, two viewpoints explain the impact of the COVID 19 pandemic on the informal sector. The optimistic viewpoint and pessimistic viewpoint

Optimistic Viewpoint

The informal sector is viewed as a buffer by the optimistic viewpoints. The informal sector, in this opinion, becomes a path for people who have lost jobs or incomes as a result of the COVID 19 disaster. The informal sector's ability to receive money and human resources give the community a tremendous opportunity to seek revenue amid a crisis like COVID 19. Workers consider the unorganized sector to be a safety net. The reaction to the economic crisis that happened was one of the factors that led to the formation of informal sectors (Pitoyo, Populasi, 1999) Economic crises are typically marked by a drop in investment, which forces businesses to cut production costs to avoid losing money. The cost of wage labor is one of the costs of production that can be cut. Salary cuts or layoffs are common in times of crisis, such as the one experienced by COVID 19. In this situation, the informal sector serves as a safety net for those who have been laid off (Firdausy, 2000). The informal sector's flexibility is defined by the ease with which people without specific educational or skill requirements can access it, which is why it can be a viable alternative source of income during a crisis (Pitoyo et al, 2020).

Firms in the informal sector are anticipated to be more resilient to the effects of COVID19 than

businesses in the formal sector because they have more flexibility in carrying out economic operations. This is in contrast to informal employees who believe they will not be able to regain their salaries following the epidemic and who may be able to move occupations (Pitoyo et al, 2020)

As a result of the COVID-19 epidemic, the informal economy is projected to grow. As a result, people will be forced to seek employment in the informal economy. As a result, being in the informal sector increases the risk of being driven into extreme poverty as a result of the pandemic. Daniel et al (2020) believe that informality will also be a lifeline for some people seeking to escape extreme poverty. This is because informality allows people to earn a living while spending very little money.

Pessimistic Viewpoint

Pessimistic perspectives, on the other hand, see the informal sector in terms of the number of people who work in it. Before the crisis, there has been a pessimistic view of the informal sector as an economic activity. In this perspective, the informal sector, particularly its work, will suffer negative consequences during a crisis, such as income insecurity and the lack of social security (Pitoyo et al, 2020). COVID-19-related risks worsen impoverished employees' fundamental vulnerabilities in the informal sector. Even if they stay at home in urban settings, these workers and their families are still exposed to the virus due to overcrowding and unclean living circumstances that make physical separation difficult. Lack of access to running water not only restricts hand-washing options but also drives women to queue for water, putting themselves and their communities in danger. Workers in the informal sector, particularly in rural areas, are under-informed about the virus, its symptoms, and preventative measures like a physical separation (ILO, 2020). They frequently don't have access to personal protective equipment (PPE) or hand-washing facilities if they continue working. People who work as street and market vendors, domestic employees, or home delivery workers, for example, find it difficult to maintain physical distance. Many people's homes serve as their employment, with the aforementioned conditions (ILO, 2020)

The vast majority of workers in the informal sector are more vulnerable to occupational health and safety concerns, have inadequate protection, and are more likely to be sick, injured, or killed. These dangers are exacerbated by COVID-19. Most workers, including migrants, are not guaranteed access to medical treatment if they become ill, and they have no economic security through sickness or employment injury benefits. If they can't get medical help, the virus will spread faster and kill them. Many will face out-of-pocket charges if they can obtain health treatment, forcing them to go into debt or liquidate their productive assets, sinking them further into poverty. Before the crisis, catastrophic health costs drove 100 million people into poverty each year. Healthcare services are also unavailable to many people, particularly in rural areas (ILO, 2020)

According to Daniel et al (2020) most informal sector workers are faced with low and unreliable incomes which leave them most vulnerable to the negative economic shocks triggered by the COVID-19 pandemic. Daniel et al (2020) summarized the pessimistic viewpoint in the following ways:

1. Informal sector workers' economic vulnerabilities are projected to worsen. Informal workers, whether salaried or self-employed, are undoubtedly the group most at risk of losing their

employment and incomes if lockdowns or mobility restrictions are implemented to minimize the intensity of human contact to reduce the virus's rate of spread, causing demand and supply disruptions. Low savings, restricted access to finance, income volatility and uncertainty, and limited or missing coverage of social security and protection systems will make it difficult for informal workers to weather the economic downturn for an extended period. Given the lack of cash reserves to fall back on during tough times, many informal businesses may increase their demand for loans, and microfinance lenders may take advantage of the situation by charging excessive interest rates, further limiting access to finance if not adequately regulated (Daniel et al, 2020).

2. There will be an increase in the number of people living in abject poverty. Many people who would otherwise be in great poverty rely on informal labor for a living. However, because many informal employees live around the poverty line, they are at greater risk of experiencing in-work poverty (Danquah et al. 2019). According to the World Bank, the COVID-19 epidemic will cause 49 million people to fall into poverty. Although the health impacts in SSA have been less severe than in the rest of the world, World Bank projections indicate that it will be the region with the greatest increase in extreme poverty, with about 23 million new people at risk, the vast majority of whom will be informal workers already living on the edge of poverty (Daniel et al, 2020)

CONCLUSION

The impact of the COVID-19 epidemic on Africa's informal sector, with an emphasis on Nigeria, was examined in this research. The analysis begins with the assumption that the informal sector accounts for over 90% of new jobs in Nigeria, and that the ban on international travel and stringent national lockdown imposed by the COVID-19 pandemic has left over three-quarters of the population fighting to live.

The COVID-19 pandemic, combined with falling oil prices, disrupted income and household commodity provision for informal sector workers who rely only on the informal business industry for survival. Several sociocultural elements were also highlighted in this article. worsened the crisis as well as the factors influencing the growth of the informal sector in Nigeria. On one hand, the informal sector has Workers in the official sector who were laid off because of the pandemic and were allowed to work in the informal sector. The informal sector employees, on the other hand, struggled to pay for food, housing, and other daily living expenses as a result of the pandemic, often acquiring further debt in the process. When conventional means of production are disrupted, disasters like the pandemic show society's fault lines. Because Informal sector workers were mostly ineligible for social protection programs designed to deal with widespread job loss, such as unemployment insurance, they received no aid. Different strategies need to be developed by the government, social workers, and non-governmental groups to help the informal sector survive the current pandemic.

Different methods are being developed by policymakers in Nigeria to ensure corporate sustainability, and the informal sector is not left out. The Central Bank of Nigeria (CBN) has announced a fiscal stimulus package that includes a credit facility of #50 billion nairas (\$138.89 million) for households and small and medium-sized businesses most affected by the pandemic, a #100-billion-naira loan (\$277.78 million) for the health sector, and a one trillion nairas (\$2.78 billion) for the manufacturing sector. Furthermore, interest rates for all CBN interventions have been reduced from 9% to 5%, and a one-year embargo on CBN intervention

facilities will begin on March 1, 2020. In light of this, this paper proposes the following plan to keep the informal sector afloat during the COVID-19 epidemic.

Despite fiscal policy interventions aimed at improving the public health system's ability to provide adequate and affordable health care to those affected by the crisis, the informal sector, which is the most affected by the crisis, is unable to benefit from these benefits. As a result, the government should ensure the availability of quality health services, increase the capacity and accessibility of healthcare facilities, particularly in rural areas, and remove other financial, geographical, and administrative barriers. It's also worth remembering that the majority of people working in the informal sector don't have access to perks such as health insurance or paid vacations. These sector's informal workers must work every day to make ends meet; as a result, they must be better organized and equipped to lobby the government for increased social protection and other economic benefits. To lobby for policy change, social workers can develop coalitions with informal sector employees, associated NGOs, and the media. Expanding unemployment and old-age pension systems to cover informal sector workers – in other words, treating IS workers like formal sector workers – might be part of social protection.

In the transition from exclusion to inclusion, social workers play a critical role. Social workers can create an outreach program to formally register workers in the informal sector with the government (as noted, many informal sector workers failed to receive COVID income support because they were unknown to the government). This type of registration could also be used to connect workers in the informal sector to other types of assistance. Utility expenses, such as power bills, water bills, rent, and other resources, should all be subsidized by the government to assist them to become more efficient and effective.

Because the shock has affected the income and profits of households and small businesses, the Federal Inland Revenue Service (FIRS) and the State Inland Revenue Service (SIRS) will have to waive personal and corporate income tax for people in the informal sector, allowing the sector to recover from the sharp drop in demand. Workers in the informal sector had minimal access to traditional sources of money during the COVID-19 pandemic (e.g., banks). Social workers can help design low-interest loans, grace periods on existing loans, and debt rescheduling methods by collaborating with informal sector workers, banks, and government officials.

Governments in several countries have set up programs to provide food assistance to low-income families and to protect rural nutrition. As a result, the Nigerian government must not only embrace but also ensure the implementation of such programs. To prevent hunger among the most vulnerable, food assistance programs should be strictly administered. This also helps to assist the agriculture industry and ensures that food production continues uninterrupted.

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