

LEGAL PERSPECTIVES ON THE ECONOMIC STORMS OF COVID 19 PANDEMIC IN NIGERIA

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Abstract

The corona virus, known as covid19 pandemic which became prominent in 2019, traceable to Wuhan, China has caused a lot of deaths in Nigeria and all over the world and has overtly ravaged the Nigerian and global economy. One of the cardinal duties of government is to provide infrastructure to the citizenry and contribute to their development and welfare, which includes economic development. The pandemic has caused the country and many organizations great challenges, include major destruction of their supply chains, meeting contractual obligations, bringing people back to work place, escalation of job losses, sharp decline in working hours unemployment pay cuts, acute social problems and other vices which this article addresses. Attempt would also be made to tackle the economic storms and to address the legal perspectives.

1. Introduction

This article will not only focus on tackling the economic storms of covid 19, but would address other areas appurtenant to it and it is divided into seven (7) different parts. Part A would address issues

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of definitions and historical perspectives of covid 19 in Nigeria. Part B would address the pandemic and the problems associated therefrom. Part C will take a look at the economic effects/impacts of covid 19, part D will address the global impact of the pandemic, Part E will address the measures taken by the Nigerian government, parastatals, organization (bodies) in tacking the scourge, part F will tackle the issues of covid 19 legal implications, while G will proffer some recommendations that will act as palliatives to the problem, including conclusion.

2. Conceptual clarification

The article will be approached with an understanding of the meaning of the following terms: (a.) Covid 19 (b.) Pandemic (c.) The economy (d.) Storms (e.) Legal implications

- a. **Covid 19:** is another name for Corona Virus. It is not a national, regional or international pandemic, but a global one which allegedly came from Wuhan, China¹, Corona virus has ravaged many people of the world and led to many fatalities as many lives have been lost and the economy of many nations disrupted, ravaged and tumbled for the worse , presently with no cure. It manifests with symptoms like cough, fever, headache, sneezing and affects the respiratory systems. At times, it is asymptomatic². The affected persons have difficulty in breathing and are isolated for between 2 – 14 days until a further test is conducted and the person tests negative twice before being discharged. The Nigerian government

¹ M.A. Shereen: Covid 19 infection emergence, transmission and characteristics, <<https://www.sciencedirect.com>>., accessed 14 May, 2020.

² M.A. Shereen: Its Presence does not overtly manifest. <Sciencedirect.com.>accessed 20 August, 2019.

declared a lockdown of some states, social distancing policy, use of face mask, sanitizers, washing of hands always etc, many states adopted same.

- b. Pandemic** is a disease, prevalent throughout an entire country or continent, or the whole world; general or universe³.
- c. The Economy** is the state of the country or region in terms of the production and consumption of goods and services and the supply of money. It is a careful management of available resources⁴.
- d. Storms:** A storm is a violent disturbance of the atmosphere, a tumultuous reaction, and uproar or controversy, it is a generic term⁵.
- e. Legal Implications** for example, the legal implications of corona virus outbreak, which includes legal issues to bear in mind⁶, like public health, intellectual property, legal rights and obligations, unemployment and so on⁷.

3. The Problems Associated with Covid 19

Like a wild furnace, corona virus surfaced in Nigeria and came with terrific attack. Many people were terribly affected. It took a long time for people to understand the strange virus which came with different signs, like cough, sneezing, headache, fever and cold, some were asymptomatic signs that were not noticeable. The

³ Webster Encyclopedic Dictionary of the English Language, edited by Harry E. Clarke, page 684, 8thedn.

⁴ www.investopedia.com, accessed 2 November, 2020.

⁵ Definition of Economy, <www.britannica.com>, accessed 16 December, 2020.

⁶ Definition of storm, www.fieldfisher.com, accessed 20 June, 2020.

⁷ F.E. Eboibi: Global Legal Response to Covid 19 and its impact. <<https://www.tandfonline.com>>, .accessed 30 June, 2020.

Nigeria Centre for Disease Control⁸ worked round the clock to address the ugly situation, with the directives from the World Health Organization⁹ with different treatment, drugs and kits, distributed and administered.

Many hospitals were filled with many patients, with many dying in private hospitals. The Governors declared public hospitals as the gazzetted and approved hospitals, yet many patients preferred private hospitals. The disease killed many Nigerians like the former Chief of Staff to President Buhari¹⁰, former Governor of Oyo state¹¹, etc. The problems led to health issues and made health workers to be engaged 24 hours and made to work assiduously without sufficient equipment and paid allowance for that. Many died in the course of that.

Due to many fatalities, the federal government came with many measures through the NCDC, introducing daily test with few testing kits, compulsory wearing of face mask in public places, use of sanitizers and disinfectants and washing of hands often and keeping hygiene at all times. Social distancing of two metres was introduced to reduce the infections which were airborne. When the scourge and its devastating problems came to a crescendo, the federal government by virtue of infectious diseases (Emergency Prevention) Regulation declared a State of Emergency¹² and a 24 hour lockdown in four states, which are Lagos, Ogun, Kano and Abuja, State Governors via Proclamation Order followed suit and

⁸ NCDC

⁹ WHO

¹⁰ Abba Kyari

¹¹ Chief Abiola Ademobi.

¹² Ibid.

declared their various states lockdown. Delta State governor declared theirs via Quarantine Act¹³.

There are many problems associated with the lockdown. People's movements were restricted and its resistance caused a lot of problems. Many felt their right to personal liberty and freedom of movement were being violated in spite of the exception to the rule under emergency, recognized by international Conventions and Protocols.

The economy suffered a great deal. There were inflation and hoarding of consumers goods, their prices increased, poor flow of money and people could not go to farm and were suffering from starvation, poor harvest and poverty. The economy nosedived for the worst, people were not going to work, and there was cash trap. Many lost their jobs and emoluments. The problems affected transportation, sea and air travels which were banned. Tourism and entertainment industries and others all affected the economy. The banks did not help matters as there was rush by the people to collect their monies, with the banks also coming out with measures to check emergency withdrawals. Even when the lockdown was relaxed, the economy was still at a comatose and prostrate, with little or no sign of picking up.

4. The Economic Effects of the Corona Virus Pandemic

The covid 19 pandemic has resulted to so many economic impacts in Nigeria. In the following ways: first, Nigeria's economy has been contracted by 61% in the second quarter of 2020, secondly, 27% of Nigeria's labour force¹⁴ and 21 million Nigerians are unemployed. There is also little sign of a quick turnaround in

¹³ LFN 2004. <Lawsofnigeria.org> accessed 20 April, 2020.

Nigeria's economic woes as the World Bank predicts Africa's most populous country is set for its worst recession in four decades. There are job losses and salary cuts¹⁵. There is collapse of formal offices as many companies have requested a large number of their staff to operate from home. This is preferred as it cost less and reduces transportation, office space, cost and reduces electrical consumptions.

There is sharp drop in the country's Gross Domestic Product (GDP) as a result of slowdown in economic activities.

Returns from Tourism return have been dismantled, slow and moribund because of the lockdown. Aviation and travels have reached stand still as there was no movement, Seaports and Nigerian Ports Authority became a graveyard, with many goods unclaimed. There was a drop in oil production and drop in global demand which left Nigeria drastically shorn of earnings giving its dependence on oil.

It is noteworthy that the US slashed Nigeria's crude oil import by 11.67 million barrels in the first of five months of 2020. In the second quarter of 2020, local oil production dropped to its lowest since 2016¹⁶. There seems to be little signs of quick turnaround in Nigeria's economic woes as the World Bank predicted, however, it is only a prediction. Two key players in the oil industry in the globe, the US and China in the 2nd half of 2020 were at loggerhead

¹⁴ O.I. Adebimpe: covid 19 pandemic. Challenges youth unemployment, <<http://cibg.org.aci>> accessed 29 August, 2020.

¹⁵ Independent Judiciary above , n. II

¹⁶ *Ibid.*

on the decision to cut output and the unequivocal oil price between them and the consequences¹⁷.

There were health hazards and pneumonia cases associated with respiratory attacks. There were overt impact on global aviation and tourism, global travels. Cruise companies, hotels and hospitality businesses suffered decline in demand, as a result of discretionary spending of government and the public. There was real scarcity of goods as a result of the lockdown and non-attendance to the farms. Harvest was poor and poverty set in.

The restriction and lockdown of people and the border closure foreshadowed a decline in export¹⁸. There was massive decline in stock prices, which eroded wealth of investors¹⁹. The National Bureau of Statistic stated that almost 45% employable Nigerians are unemployed²⁰.

A reported 79% of households saw a decrease in their income as at March, 2020. Prices of commodity goods, like bread and water increased shortly after the lockdown as the consumption of goods and investments and net exports decreased, Nigeria's economy started facing a harmful downturn. Investments by firms were impeded due to uncertainties that come with the pandemic²¹. Nigeria has suffered worst impact on food system and poverty²² in

¹⁷ *Ibid.*

¹⁸ www.researchgate.net, accessed 14 June, 2020.

¹⁹ Borgenproject.org, accessed 10 June, 2020.

²⁰ *Ibid.* the role of the independent judiciary .

²¹ Hardpub.org, accessed 6 August, 2020.

²² KwawAndam, Hyacinth Edeh and James Thurlow, covid 19 and world's impact on food system. <ncbi.nih.gov>, accessed 4 August, 2020.

agricultural food system, GDP fell to 11% primarily due to restrictions in food services.

There was 9% point increase in national poverty rate²³, Nigeria, being the largest recipient of foreign remittance from Britain, France, Italy and Spain declined because there were no exemptions for power on public construction workers in Nigeria. Transportation shortage, cargo handling, rail services, bus services, taxi suffered, though a few were under essential services. Essential demand for food and medicine did not see the light of day as per response²⁴.

Repair services usually carried out in workshops suffered adversely. Domestic workers and other personnel services dwindled²⁵.

Insecurity, as a result of the menace of herdsmen and kidnappers prevented farmers from going to farm, resulting to poor harvest, a toll on the economy, starvation and high spike in poverty rate, which led to national poverty ratio of 8.7% points due to covid 19²⁶. There is the menace of Bandits, kidnappers, Boko haram attacks of different communities, extra judicial killings all over Nigeria.

The economy though had begun to show promising signs of recovery progress; Nigeria is still dependent on oil. So the current crash in oil prices is adding to the covid 19 lockdown effect where

²³ *Ibid.*

²⁴ K. Andam: Impact of covid 19 on food system and poverty in Nigeria. <<https://www.ncbi.nlm.nih.gov>>, accessed 22 April, 2020.

²⁵ Acbi.nlm.nih.gov, accessed 15 February, 2020.

²⁶ *Ibid.*

people stop spending—one person spending is another person's income²⁷. The Nigerian government is projecting revenue flow from oil to decline from 5.5 trillion naira in 2020 to 1.1 trillion naira, so we have sudden fiscal crisis in Nigeria presenting some challenges. It is submitted that the impact is felt across all sectors, because of the country's lockdown there are concerns around overall economic activities in sectors like retail and real estate and how banks adjust to that.

The Presidential Order for lockdown over a two week to one month period had more adverse effect on the economy of the country. Most private organizations laid off workers and the few that remained had their staff salaries slashed. The media houses were not left out. For example, the Punch Newspaper laid off about forty (40) staff at the end of May, 2020 because adverts were not coming as it used to maintain staff overhead cost.

Most hotels that closed down counted losses for maintenance, while staffs, most of whom are bread winners, were laid off since March, 2020. These have no doubt had a great impact on people paying their bills and managing their families²⁸.

Aside, the people's purchasing power has drastically dropped due to no money in circulation. The prices of goods have also sky rocketed and there is hoarding, as supplies cannot meet the demand. A loaf of bread which is for the common man, formerly sold between 300 – 350 naira is now sold for 400 – 450 naira.

²⁷ K. Andam: What is the economic impact of covid 19 in Nigeria? <Lite www.cdcgroup.com.> accessed 15 January, 2021.

²⁸ *Ibid.*

The cost of transportation also increased as a result of the social distancing measures, it became mandatory for public vehicles to reduce the number of passengers carried at a time, as a result, fewer commercial drivers plying the road, increased the fare cost to meet the short fall of limited numbers. It comes per time many shops and businesses were closed down²⁹.

According to PWC, Nigeria's SMES account for 96% of businesses and 84% of employment, posing a severe risk to small businesses. The impact of the epidemic on small businesses had led to low turnover and laying off staffs³⁰.

The economy is so battered by the pandemic, with many Nigerians made unemployed by covid 19, combined with lower volumes of exports, such as oil, Nigerian's economy has contracted in the 2nd quarter of 2020.

Secondly, 27% of Nigerian Labour force (over 21 million Nigerians are unemployed). There is little sign of quick turnaround in the economy³¹. Nigeria's economic downturn was triggered by a combination of declining oil price and spill over from the covid 19 outbreak which not only led to a fall in the demand for oil products but also stopped economic activities from taking place when social distancing policies were enforced. Though the government responded to the policy by providing financial assistance to businesses and a small number of households that were affected by the outbreak. The monetary authority adopted and offered a targeted 3.5 trillion loan support to some sectors. These efforts

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ How has covid 19 affected the Economy? Africa's largest economy. <www.weforum.org> accessed 28 August, 2020.

should have prevented the economic crisis from occurring but it did not³².

5. Other Social/Economic /Legal Effects

Covid 19 is a virus that has created tension and devastation around the globe. It has greatly affected the socio economic wellbeing of Nigerians, the health sector preparedness to handle the pandemic and the role of Nigerian social workers in the fight against covid 19 in Nigeria. The Nigerian health system is ill-equipped and under-prepared to effectually fight handle the pandemic³³. The Nigerian social workers, most especially the medical social workers have played a significant role in passing out information on covid 19 preventive measures, because of lockdown and social distancing policy.

Nigerian entertainment industry has been adversely affected by the covid 19 pandemic. Those affected includes comedians, musicians, sports etc. many shows have been postponed³⁴.

It has affected school activities adversely. An academic session in Nigeria has been lost as many schools are yet to resume after the ASSU strike was called off because of the 2nd wave of the pandemic which is said to be deadlier than the first, with little or no signs. The pandemic has created fear, death, panic and termination of social life. Fear can be traumatizing³⁵.

³² Covid 19 pandemic and economic crisis. The Nigerian experience and structural causes. Peterson K. Ozili.<researchgate.net.>accessed 10 April, 2020.

³³ Ibid.

³⁴ Brad Adgate: Effect of covid 19 on entertainment industry, <www.forbes.com>, accessed 13 April, 2020.

³⁵ K. Chaturvedi: Covid 19 impact on education and social life, <https://www.csiencedirect.com>, accessed 10 May, 2020.

Looking at the international trade perspective, global oil prices have fallen because of covid 19. Even though diversification is being emphasized in Nigeria, currently crude oil remains the dominant source of revenue for Nigeria. Even though the oil price has fallen, Nigerian economy has been drastically affected. She now depends on other countries for survival on her crude oil sold in 2020. They will refine for Nigeria to buy it back.

Nigerian Borders were locked down for up to one year. No more meaningful importation and exportation. Nigeria does not depend on itself for food. This has affected prices of drugs and other pharmaceutical products³⁶.

The Civil and Public Servants depend on the crude oil economy that is not doing well. The market price of oil fell because countries are channeling their resources to fight corona virus. Our oil is priced low and little and no profit is derived from sales. Little effort is placed on mining and cash crops agriculture.

Stock market has crashed; bitcoin has also crashed before the pandemic. Inflation has set in, as more money is chasing fewer goods³⁷. There has been increase in crime during the covid 19 pandemic lockdown³⁸. A lot of middle income and low income earners cannot afford food³⁹. The health sectors have been overwhelmed and almost surrendered to the pandemic. Equipments are insufficient. The new wave of the pandemic attack the respiratory

³⁶ *Ibid.*

³⁷ *Ibid*

³⁸ Dominic Casciani: What happened to crime during covid 19 pandemic, <www.bbc.com,> accessed 20 May, 2020.

³⁹ Dominic Casciani: What happened to crime during covid 19 pandemic, <www.bbc.com>, accessed 28 March,, 2021.

organ and oxygen is in short supply in Nigerian hospitals and the ones available are very expensive. Nigerian hospitals are ill-equipped. Many doctors and para health workers have lost their lives to covid 19. Travels overseas for medical interventions have dwindled. The dilapidated state of Nigeria's medical health sector is blamed on corruption and corrupt leaders⁴⁰. Funds earmarked to fix the health care system have been siphoned by politicians. Personal protective equipments are lacking in the hospital, testing machines and centres are few in the country, including ventilation⁴¹.

However, the amount assigned to our health sector yearly is abysmally low compared with South Africa or Ghana⁴². There are a lot of speculations and conspiracy theories around the origin and nature of the corona virus as some think it does not exist⁴³. How can one tackle it when they do not believe it exists?

A mixture of socio economic factors as low population density and mobility, hot and humid climate, lower age group interacting to accentuate their individual effects have so far contributed to the relatively low level of infections and death recorded in Africa, according to World Health Organization (W H O)⁴⁴.

⁴⁰ Effect of covid 19 on Nigeria socio/economic wellbeing, <tanfonlize.com>, accessed 24 September, 2020.

⁴¹ Efe Akintunde Akinyele: Nigeria Doctors strike over lack of PPE, <www.garda.com>, accessed 16 June, 2020.

⁴² Ibid.

⁴³ O.S. Olatunji: "infodemic" in a pandemic covid 19 conspiracy theories. <https://www.subonweb.com>, accessed 3 August, 2020.

⁴⁴ Five Charts Highlighting the impact of covid 19 in Nigeria infonlineo.com, accessed 30 October, 2020.

On the food system, most countries exempted agri-food system from lockdown policies introduced in early 2020 to curb the covid 19 outbreak, yet these policies had nationwide implications, implying that even exempted sectors were indirectly affected by disruptions to supply chains and falling consumers demand. Nigeria faces declining remittances and export demand caused by the global recession. There were economic wide impacts and global shocks which calibrated to a 2018 social accounting matrix until the end of 2020. Nigeria is unlikely to escape a deep economic recession, while food systems were exempted; they were not imminent to the effects of covid 19⁴⁵. The harvest of staples such as millet, rice, sorghum and tubers like yam and cassava were lacking⁴⁶.

6. Impact of covid19 on the Globe

It is a truism that a lot of people all over the world have lost their lives due to covid 19. The new wave which is deadlier has claimed many lives. It attacks the nose and respiratory system, and attacks the young, old and people with underlining illnesses. It has distorted economic activities, imposed economic hardship, affected trade commerce which has resulted to poverty. It has contracted and affected the various countries gross domestic product, per capital income output. Even though there is diversification, the result is slow as oil prices have reduced drastically⁴⁷.

Importation and exportation are challenged; international trade is disrupted, with no healthy economic consequences. There is loss of

⁴⁵ K. Andem: Impacts of covid 19 on food system and poverty <www.incbi.nih.gov> accessed 12 October, 2020.

⁴⁶ Nigeria's key market update: reliefweb.int, accessed 3 June, 2020.

⁴⁷ *Ibid.*

trade, tourism, failed contracts, dwindling remittances, subdued capital flows, tight financial conditions, amidst mounting debts.

The world has witnessed the pandemic triggering an unprecedented collapse in oil prices⁴⁸. Demand for metals and related commodities like rubber and platinum used for vehicle parts have tumbled. Agricultural markets are globally disrupted.

There is security issue. There is long term damage to potential output, productivity growth. There is volatile global market with no global growth⁴⁹.

Businesses might find it hard to service debt, heightened risk aversion could lead to climbing borrowing, costs and bankruptcies and defaults could result in financial crisis in many countries under this downside scenario, global growth shrunked by almost 8% in 2020⁵⁰.

The covid 19 pandemic is a global shock, involving simultaneous disruptions to both supply and demand in an interconnected world economy, it poses formidable challenge to policy makers, and to empirical analysis of its direct and indirect effects within the interconnected global economic⁵¹. It has seriously wounded the world economy with serious consequences, impacting all communities⁵².

⁴⁸ *Ibid.*

⁴⁹ *Ibid.*

⁵⁰ P.K. Ozili: Covid 19 pandemic and Economic Crisis, <<https://core.ac.uk>>, accessed 6 August, 2020 and Jennifer Blanke: Economic Impact of Covid 19, <<https://www.brookings.edu>>., accessed 19 June, 2020.

⁵¹ *Ibid.*

⁵² *Ibid.*

7. Tackling the Socio-Economic Impacts of the Pandemic in Nigeria (Measures)

The government has been laden with challenging task of managing a health crisis in an already weakened economy. There is a phone source showing that economic shocks continue to affect Nigerian households and the share of household reducing their food consumptions as a clear mechanism has increased. The shock has been the increase in the price of major food items consumed affecting 90% of households and farming/business inputs which affected their savings⁵³. More children have had contract with teachers, but the share of those engaging in educational activities remained stable, with a higher rate of urban children⁵⁴.

The government has also worked to help people financially impacted by covid 19. The Central Bank of Nigeria (C.B.N) set out a 50 billion naira stimulus package for Nigerian households and small to medium size businesses, moreover interest rate of C B N intervention decreases from 9% - 5% in an effort to aid Nigeria's economy⁵⁵.

UNICEF has also contributed to helping Nigeria throughout covid 19 pandemic in Collaboration with Nigeria's Centre for Disease Control⁵⁶ UNICEF in ensuring that all mothers with children under the age of two are able to safely breast feed their babies, making sure they follow health guidelines⁵⁷.

⁵³ World Bank blogs. word

⁵⁴ 3% of household with school aged children compared with those in rural household 57%.

⁵⁵ The impact of covid 19 boreinproject.org, accessed 11 July, 2020.

⁵⁶ N C D C.

⁵⁷ *Ibid.*

The National Agencies for Food and Drug Administration⁵⁸ has provided training to mothers to screen their children for malnutrition. Many children depended on food lunches provided by the Federal Government⁵⁹. Though the pandemic has affected Nigeria's economy, with the support of the U S International Affairs Budget and with further foreign aid, Nigeria can hope for drastic improvement in her job rate and oil export⁶⁰.

The government launched a NGN 2.3 trillion economic sustainability plan in June, 2020 in a bid to provide some stimulus and limit the economic damage of the pandemic. However, even though monetary stimulus should provide ample liquidity and keep interest rates low, there will be excess money in circulation to allow broad based economic growth⁶¹. The pace of execution is still being hampered by the lack of fiscal space and the inability to enact a few fiscal and structural reforms⁶².

The recent opportunity of employment to many Nigerian youths though with low remuneration will check unemployment to a reasonable extent⁶³.

There is the tax measures, like tax reduction, tax holiday and tax exemptions by the Federal and State Governments. On some essential items like agricultural products and pharmaceuticals. The government has also embarked on customs reforms to improve the

⁵⁸ NAFDAC

⁵⁹ K. Andeam: The impact of covid 19 on Nigeria economy borgen project.org. accessed, accessed 11 July, 2020.

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

⁶² *Ibid.*

⁶³ *Ibid.*

economy. Reduction on demurrage for goods and ports decongestion, including opening the border and rate deduction, to mention just a few⁶⁴.

There is disbursement of loans to it, medium scale businesses like agriculture with little or no collateral⁶⁵. Government has given farms improved seedlings, fertilizers and cultivated their farms.

There is the lunch programme for school children and financial support to the elderly. There is moratorium on debt repayment by the central bank of Nigeria and one year extension for principal repayment and reduction of interest rate on intervention loans and strengthen of same to deposit ratio policy⁶⁶.

There is creation of #50 billion target credit for affected households and small and medium enterprises⁶⁷. #100 billion international loans to pharmaceutical companies and health care practitioners, #1 trillion loans to boost local manufacturing⁶⁸.

Efforts were made by the government to bolster aggregate demand through increased government spending and tax cut and the tax rate for medium size businesses, which has been revised downward from 30- 20 percent.

The exchange rate has been adjusted from 360 – 380 naira in order to unify the rate and E window. Government has introduced import

⁶⁴ *Ibid.*

⁶⁵ Moves to cushion the CBN disbursement of loans impact of covid 19 crisis, <<https://www.cbn.gov.ng>>, accessed 10 June, 2020.

⁶⁶ *Ibid.*

⁶⁷ Economic Impact, <www.researchgate.net>, accessed 2 May, 2020.

⁶⁸ *Ibid.*

duty waiver for pharmaceutical companies and increased efforts to ensure they receive forex⁶⁹.

The 2020 and 2021 budgets were prepared with significant revenue expectation with contestable realization and to reposition the naira. The government has also cut the cost of governance by collapsing, eradicating and merging some parastatals, ministries, and removing some ministries, cutting cost of international travels, tourism, international sports to avoid duplication. E payment transactions have been introduced to check cash flow, virtual meetings and conferences by government and corporate bodies to check the pandemic and cut cost.

The borders have been reopened. The economy is being diversified for less dependence on oil; there is increased focus on stimulating local business and re-investing across all sectors. Investors are being encouraged with soft loans⁷⁰.

8. Effects of Covid19 on the Legal Profession

The pandemic has dealt a big blow to the legal profession in Nigeria. Many questions arise as a result of this. Lawyers and Law firms are grappling with how to provide legal services to their clients. Lawyers can no longer conduct personal interviews with new clients, or review matters with existing clients, because of the lockdown and social distancing policy, prospective clients are financially devastated by the pandemic which led to inability to pay

⁶⁹ Economic Impact, <www.researchgate.net,> accessed 10 June, 2020.

⁷⁰ Measures on covid 19. <www.weforum.org>., accessed 7 August, 2020.

professional fees or engage counsels. Many engage counsels for low cost and clients have resorted to self-help⁷¹.

With the transactions becoming low and too complicated for them, items that generate substantial income, such as Mergers and Acquisition (M & A) have disappeared, as companies are shutting down or reducing cost, for example, by laying off staffs. The sum total of this is that counsel is sidelined, as in many other jurisdictions it was difficult, if not impossible to conduct litigation⁷². The Chief Justice of Nigeria at a stage issued a direction that all courts should be closed down until further notice. Though some are partially open as a result, litigants were unable to conclude ongoing matters, living many in a legal quagmire, as they could not know their fate until the courts reopened.

Matters, such as criminal cases suffered most, as many accused persons were held in detention in police custody until the courts reopened⁷³ and the nature of their trial cannot be done virtually.

A significant number of Nigerian Lawyers rely on court practices as a means of income, and the courts closure has directly impacted their accounts. The shelving of court appearances meant that many lawyers will not bill, this has hit many young lawyers hard, as a good number depend on court appearance fees as source of income, just as a lot of practitioners rely on litigation to survive⁷⁴.

⁷¹ Christian B. Denton: Impact on legal profession, City Law Associates, Lagos, <www.aellex.com>, accessed 20 June, 2020.

⁷² The legal impact of covid 19. <Lite.www.ibanet.org>., accessed 20 August, 2020.

⁷³ *Ibid.*

⁷⁴ *Ibid.*

Virtual practice, online which was strange before now is now adopted by lawyers and judicial officers due to social distancing, policy cost and so on, this did not work well and has affected justice. Most court processes are carried out by persons, also the payment of lawyers fees are made in bank tellers as opposed to electronic device. Many lawyers are not used to zoom, Skype and so on. Even Arbitration has failed as a result of social distancing.

Aviation, tourism, hospitality businesses were greatly affected, leading to litigation due to loss of income.

9. Covid 19 has had big effects on:

- i. banking and finance
- ii. Dispute resolution (litigation arbitration)
- iii. Energy
- iv. Infrastructure
- v. Insolvency
- vi. Insurance
- vii. Labour and employment
- viii. Mergers and acquisition (M & A) etc⁷⁵.

Under banking and finance, lenders and borrowers will need to consider their rights and obligations and under many documentations to determine how these will be impacted by the pandemic. The pandemic will enable the borrowers seek a re-negotiation of terms before an invent of defaults occurs. The Central Bank of Nigeria has issued directives and policies in response guaranteeing deposits to money lenders, and banks leave to consider temporary and time limited restructuring of the tenure

⁷⁵ K. Andam: Impact of covid 19 on food system and poverty in Nigeria. <<https://www.ncbi.nlm.nih.gov>> accessed 20 July, 2020.

and loan terms of businesses affected by the pandemic, for example, moratorium on interest payment obligations⁷⁶.

On dispute resolution (litigation arbitration), it is most likely that disputes are likely to arise out of the following:

Interpretation of contracts and *force majeure* clauses, re-negotiation of contractual terms and termination of contracts, filing claims within statutory time frames, such as looking at the limitation laws of various states, which provide strict time line, and failure to initiate these actions within the stipulated time frame would extinguish cause of action by effluxion of time. Also the issue of parties' rights of action may lapse during the period of the pandemic. Others are noncompliance with procedural timelines. For ADR mechanisms like Arbitration, parties may agree to proceed despite the lockdown by documents only, hearing or using technological means like video conferencing to continue proceedings. However, this may be delayed in the proceedings where court's intervention is required for reliefs in the aid of arbitration⁷⁷.

Under Energy, the period of the pandemic led to curfew and led to recent crude oil price crashes. It may therefore be cogent to re-evaluate the valuation mechanisms, particularly for the acquisition of interest in the OPL's and LML's which were bench marked on previous crude oil price.

Other issues include dispute in transactions, timelines for projects concerning acquisition and investment in oil and gas assets and need for legal advice on the need to mitigate effects of these

⁷⁶ *Ibid.*

⁷⁷ *Ibid.*

disputes and the restriction on importation caused by border closures.

Under infrastructure, to manage projects and their the impact under the pandemic, relevant parties need to consider key issues like: managing disruptions to projects time lines, excuse performance/obligations, financial considerations, such as how the pandemic impacts on projects revenues, like toll revenue and the obligations, part lease payments where applicable, and projects budgets and valuation, payment obligations, repayment, remittances to project owners and so on. These issues will demand adequate legal advice⁷⁸.

Under insolvency, in view of the pandemic lockdown and general economic downturn, many businesses would have accrued, deferred or suspended payment obligations to their employees, trade creditors and critical suppliers whose services may be essential to the survival of the affected companies. Creditors may therefore set in motion machinery for compulsory liquidation of such debtor companies.

Companies may default to loan obligations depending on the agreement. It is therefore apposite for affected companies to seek the legal advice of an Insolvency Professional on the options available as per the doctrine of force majeure and frustration.⁷⁹

On Insurance, the pandemic has had significant impact on businesses which are expected to fall back on insurance policies to mitigate the resulting losses. They could be claims across several

⁷⁸ *Ibid.*

⁷⁹ *Ibid.*

businesses, for example in life and health insurance, travel policies and event cancellations and others like negotiating future insurance contracts with epidemics and pandemics in mind, the risk coverage of the policies and so on.

According to the International Labour Organization⁸⁰, the outbreak of a pandemic is a major labour market and economic crises, which could lead to the loss of up to 25 million jobs and a lot of people, would have been pushed into unemployment.

It leads to underemployment and working poverty, it affects compulsory leave, regulations for remote working and the extent of the employer's vicarious liability and so on.

Under mergers and acquisition, parties to M & A transactions will need to make necessary adjustments to mitigate the increased risk and uncertainty which the pandemic presents like re-assessment of valuation and adjustment of pricing mechanisms. Mitigating the potential disruptions to the transaction time table, adjustments to material adverse change (M A C) and so on⁸¹.

Under transportation, there is need to check restrictions on travelling, for example global transportation sector, supply chain disruption, commercial agreements to terms of lease and rental payments under existing lease agreement with third parties, and their effect on the obligations of the operators under security agreements.

Airlines and shipping companies are advised to seek legal advice in order to pursue creative legal solutions⁸².

⁸⁰ ILO

⁸¹ www.aelex.com, accessed 20 June, 2020

⁸² S. 40 CFRN (As amended)

The pandemic has abysmally affected the duration of commercial contracts, social gatherings the restrictions have to a large extent violated individuals the constitutional rights to peaceful assembly and association⁸³, right to dignity of human person⁸⁴, right to life⁸⁵, right to personal liberty⁸⁶ right to private and family life⁸⁷, right to freedom of movement⁸⁸ and right to acquire and own immovable property under the Nigerian Constitution⁸⁹ and under African Charter on Human and People's Right.

Academics learning and the school system have been dismantled with their attendants' effect. Universities have lost one session, including bodies like the Council of Legal Education⁹⁰.

There is the medical effect on patients whose medical travels have been truncated leading to deaths and so on⁹¹.

10. Recommendations

As a way of tackling the economic storms of corona virus pandemic, the following suggestions are recommended:

- i. The government should wake up and fix the health sectors, with a state-of the-art, hospitals, built and well

⁸³ Section 40 of C F R N (as amended)

⁸⁴ Section 34 of C F R N (as amended).

⁸⁵ Section 33 of C F R N (as amended)

⁸⁶ Section 35 of C F R N (as amended)

⁸⁷ Section 37 of C F R N (as amended)

⁸⁸ Section 41 of C F R N (as amended)

⁸⁹ Christian B: Covid 19 impact on the legal profession. Denton. City Law Associates, Lagos, <www.ibanet.org> accessed 22 October, 2020.

⁹⁰ Impact on legal profession. <www.aellex.com>, accessed 20 June, 2020.

⁹¹ *Ibid.*

equipped to be proactive. She should increase her health votes in the budget to tackle health challenges, including that of covid 19.

- ii. Social work in Nigeria should be promoted by the government through institutionalization of the profession.
- iii. Employers of labour should sit down again with their employees to renew, re-negotiate and redraft their terms of contract employment to reflect the present situation, making provisions for force majeure where necessary.
- iv. There is need for more awareness by the media on the causes, problems, effect and ways of tackling the pandemic and the need to accept that it does not exist, in order to correct the conspiracy theory.
- v. Protecting food supplies should be a priority alongside the government's effort to address the health consequences of the pandemic.
- vi. The procurement of vaccines to check the pandemic should be well investigated and equitably disbursed.
- vii. Recent job opportunities to the youths will check unemployment, with the strong need for a review of the emolument in the nearest future.
- viii. The pandemic era has improved people's knowledge and use of webinars for conferences, meetings and settling disputes. The Nigerian Bar Association made use of this in the 2020 N.B.A virtual Conference. On May 4th, 2020, the Ikeja High Court held a virtual session in Nigeria⁹². This is commendable.

⁹² Nigeria's legislative arm passes Economic Bill, <https://www.africanreview.com>, accessed 7 April, 2020.

- ix. The Federal government should adopt policies to rebuild both in the short and long terms economic programmes that would strengthen and stimulate measures to help reignite growth, including support to the private sectors.
- x. Though the borders have been open, there is need to check full imports and exports in order to meet rising demands.
- xi. Tougher decisions should be made to diversify the country's economic base away from oil exports and improve investment in the health sector to enable the economy recover quickly.
- xii. If state of the art facilities are erected, like cancer, kidney, heart centres and so, it would reduce the rush abroad for medical pilgrimage and reduce cost also.
- xiii. There is the need to improve agric production in order to encourage fish, poultry, rice, snail farming, animal husbandry, yam, cassava, onions, tomatoes, pepper, crayfish, maize, grass cutters farming and vegetable, with low interest loans with long repayment period.
- xiv. The Nigerian emergency economic stimulus bill 2020, being packaged by the United States contemplates different sums of money and direct payment to individuals and families to check unemployment, insurance and loans to distressed companies, which bill is being sponsored by the Speaker of the House of Representatives, a move which is commendable⁹³.
- xv. Although there is cash transfer programme in place by the Federal Government, there is the need to improve efforts towards enhancing the efficiency and

⁹³ www.brookings.edu, accessed 8 April, 2020.

- effectiveness of distribution mechanisms to reach households that are worse hit by the pandemic.
- xvi. The Federal Inland Revenue Service (FRIS) as well as State Inland Revenue Service (SIRS) should wave payments on personal and corporate income tax for 2020 till the first quarter of 2021, as the shock has affected the income and profit of household business.
 - xvii. To provide additional liquidity in the forex market, the C B N should establish swap with the U S Federal Reserve and the People's Bank of China as was done in 2018, to provide dollar and yen liquidity to financial investors and exporters, as it will ease up forex shortage in the financial market and the economy.
 - xviii. Even though the naira has been adjusted as a result of forex shortage, it is important that the C B N maintains exchange rate stability by deploying external reserves in order to avoid investors selling off naira denominated assets⁹⁴.
 - xix. The government should in this second wave of covid 19 spread be more pro-active and not just sermonize on the need for all and sundry to tackle the scourge by obeying the government and NCDC protocols.
 - xx. There is need to obey people's right even in the covid 19 era to avoid violations and breaches.
 - xxi. The Federal Inland Revenue services and the State Inland Revenue services should delay tax collections for the worst hit section, including tourism businesses, the airlines industry, hospitality businesses and the Ports, to enable them recover from the steep decline in demand and effect of lockdown.

⁹⁴ *Ibid.*

11. Conclusion

This paper examined legal perspective on the economic storm of covid 19 pandemic in Nigeria. The lockdown ordered by the Federal Government and States Government in Nigeria to check the spread of covid 19 and other measures to a reasonable extent looked cosmetic, but did not address the economic problems that follow. The paper exposed their impact, both to the globe, but however revealed the legal perspectives and ways the government has tackled the pandemic with recommendations proffered.