

**IMPACT OF COVID-19 ON SMALL AND MEDIUM SCALE
ENTERPRISE IN EDO STATE**

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**A RESEARCH PROJECT SUBMITTED TO THE
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CERTIFICATION

We the undersigned, certify that this research work was carried out by **Eguavoen Stephen EDIONHON** with matriculation number **Edu1603572** in the Department of Vocational and Technical Education, Faculty of Education, University of Benin, Benin City, Nigeria.

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DEDICATION

This project is dedicated to God Almighty for his guidance and divine grace that saw me throughout my study in the University of Benin.

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Above all glory and adoration goes to God Almighty for His guidance, care and protection all throughout the period of the researcher's course in the university.

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His profound gratitude also goes to his parent late Mr. and Mrs. Nosakhare Edionhon even if they are no more and also to my siblings the Nosakhare Families, just want to let them know they are the best and thanks for the continuous support and love, to my friends, Solomon Effiong, Idongesit Edo, Osaheni (aka Bobby), Collins, Ogechukwu, and my special friend Akhere Mercy Okosodo, you guys are the best.

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ABSTRACT

The aim of this study was to examine the impact of Covid-19 on small and medium scale enterprises in Edo State. Four research questions were raised to guide this study. What extent does the COVID-19 pandemic impact SMEs in Edo state? To what extent has the COVID-19 pandemic impacted patronage of small and medium scale enterprises (SMEs) in Edo State? To what extent has the COVID-19 pandemic impacted the availability of workers in small and medium scale enterprises (SMEs) in Edo State? To what level has the COVID-19 pandemic impacted the sales of goods of small and medium scale enterprises (SMEs) in Edo state?

A descriptive survey research was employed for this study. The population of the study consists of all the small and medium scale enterprises in Egor local government area of Edo State. A sample of 100 employees were randomly selected from 20 different business enterprises from the population. Questionnaire was the instrument used to elicit information from the respondents. The data collected was analysed using simple percentages. In order to ascertain the reliability of the instrument, it was administered to hundred (100) employees selected from similar status as those in those used in the study however after the administration of the 100 questionnaire the data collected was analysed.

From the findings of this study it was seen that the Covid-19 pandemic impacted on small and medium scale enterprises (SMEs) in Edo State leading to loss of job to some workers. It was also seen that the Covid-19 pandemic impacted patronage of small and medium scale enterprises in Edo State. Also the Covid-19 pandemic impacted the sales of goods which led to a fall in revenue and resulted in a low profit ratio. So the recommendation includes, the government should invest more into small and medium scale business to ensure their survival during difficult times. Also the small and medium scale enterprise owners should identify and focus on their most valuable products and services and eliminate everything else.

CHAPTER ONE

INTRODUCTION

Background of the Study

The Covid-19 pandemic was one of the events that had the most impact on modern history. It spread to over 216 countries and territories around the world and induced the most economic downturn since the Great depression (World Health Organization, 2020; International Monetary Fund, 2020). Covid-19 was first identified in Wuhan, China, in December 2019 and has caused colossal death and has spread to almost all parts of the world (Akanni and Gabriel, 2020). The first case of Covid-19 was identified in Nigeria on February 27, 2020. According to WHO (2020), as of July 28, 2020, 1 pm (GMT+1), the total number of confirmed cases worldwide was 16,301,736, while there were confirmed deaths of 650, 069 in 216 countries, areas or territories of the world. As of July 28, 2020, the Nigerian Centre for Disease Control (NCDC) reported 41,804 cases, 18,704 discharged patients, and 868 deaths, and the number of tests in Nigeria was 267,842 (in a population of about 200 million people). No company was likely to have prepared for COVID-19, irrespective of business size. Public Health

Research has informed business owners to always make for this type of emergency, but in the real sense, only big businesses often have formalized plans (Rebmann, Wang, Swick, Reddick and Delrosano, 2013).

The corona virus outbreak is a human tragedy, affecting hundreds of thousands of people and have also impacted on the global economy. The outbreak is moving quickly, and affecting almost everything including human lives. To measure the impact of COVID-19 on SMEs, rapid follow-up surveys need to be done to some businesses, the follow up survey will ask about the resumption of production moreover, the various challenges enterprises face including; How long can the firms' current income sustain the firms' survival? What are the foremost important binding constraints facing enterprises? What are the entrepreneurs' subjective assessments on the economic outlook? The follow-up survey will be linked with firms' background information gathered in 2017-2019, like export status, firm size, supply chain, share of workers from other states, and so on. SMEs are struggling to survive. A particular percent of the firms that will be surveyed will be unable to last beyond a month on an income basis, and beyond three months, presenting a dire picture for Small and Medium scale Enterprise

bankruptcies under an extended epidemic scenario. Obstacles to small business operations vary along the availability chain, with upstream firms mainly tormented by labour shortages, while downstream firms face more serious challenges associated with supply chains and consumer demand. There are large heterogeneities across sectors. For example, export firms suffered quite non-export firms because they have a tendency to use more migrant workers and their suppliers are highly concentrated. They held more pessimistic views on business prospects than non-exporters. In fact, Nigeria's exports have dropped this year. The slowdown in Nigeria's exports has huge implications on the steadiness of the country's supply chain. The resumption of production within the consumer and business service sectors are low within the industrial sector. Consumers are petrified of eating out, watching movies in cinemas, and sending children to participate in extracurricular activities. Most business travel cancelled, and trade fairs postponed. Given the lingering fears of consumers and firms, it'll take an extended time for the service sector to recover than the manufacturing sector only if the service sector's share of total GDP has increased by quite 10 percentage points, when the SARS epidemic occurred, the impact of

COVID-19 on the Nigerian economy is predicted to be larger than that of SARS. Additionally to sectoral differences, SMEs in several countries other than Nigeria will face different bottlenecks obstructing work resumption. Disruptions in logistics are very important factors. Politics at many firms is scattershot, especially at people who haven't yet seen the corona virus directly. Many professional-services and tech companies lean very conservative and their protection mechanisms often raise a perception of safety without actually keeping people safer. For example, temperature checks might not be the foremost effective kind of screening, only if the virus may transmit asymptotically. Such policies are more practical if employees receive compensation protection and insulation from other consequences too. A ban on travel without a concomitant work-from-home policy can make the office very crowded, resulting in higher risk of transmission. Others are adopting company-wide policies stupidly through the requirements of every location and every employee segment. During this scenario, a worldwide slowdown would affect small and mid-size companies more acutely. Less developed economies would suffer quite advanced economies. And not all sectors are equally affected during this scenario. In

trade goods, the steep visit consumer demand will likely mean delayed demand. This has implications for the numerous consumer companies (and their suppliers) that care for thin working-capital margins. For many other sectors, the impact may be a function primarily of the visit national and global GDP, instead of an immediate impact of changed behaviours. The overriding goal of containing the pandemic, which is being administered with excess alacrity among the lower echelons, is another key factor. COVID-19 has landed an important blow on Nigerian SMEs, with huge differential effects across sectors and regions. The outbreak of corona virus disease (COVID-19) pandemic in Nigeria has increased the extent of tension and anxiety among citizens within the country. It is widely believed that this event will only be a temporary disruption, but so far, the virus has proven to be difficult to contain and hard to predict. SME operators, entrepreneurs including large firms should move closer to clients by encouraging delivery services, design strategic plans to drive and strengthen sale and protect employees so that revenue target for the year 2020 will be met.

Statement of the Problem

The federal government ordered the shutdown of schools, churches and mosques and even official gatherings during the outbreak of the corona virus (covid-19) disease, the socio-economic impact of the COVID-19 outbreak is pretty substantial. A failure to make changes may result in harm to the organization through stagnation, negative growth, loss of customers and failure to introduce new products leading to a potential closure of business.

The covid-19 has caused huge market and work disruptions in the value chain of these following sectors in retail businesses, education, automobile, tourism, entertainment, electronics and hospitality. Nonetheless, the good news was that the level of detections and quarantine in Edo state was controllable and manageable. More so the disease fatality ratio in Edo state is still low, but the real subject matter for the government and other economic policymakers, is to see that the virus is short-lived and is contained quickly because generally in Africa, we lack effective surveillance diagnostics and hospital capacities to identify, isolate and treat patients during such outbreak. This weak system may increase the possibility of contagion if not well managed and this could have both social and economic

consequences. The federal and states governments including the public health agencies have all this important responsibility that is to prevent the pandemic from spreading beyond control and also put measures in place to keep it from happening. It is essential to start vigorous awareness campaign and this needs to be accelerated to keep citizen informed about the disease pattern, early signs and what to do if such case are noticed. It is widely believed that this event will only be a temporary disruption, but so far, the virus has proven to be difficult to contain and hard to predict. SME operators, entrepreneurs including large firms should move closer to clients by encouraging delivery services, design strategic plans to drive and strengthen sale and protect employees so that revenue target for the year 2020 will be met.

Purpose of the Study

The main purpose of the study is to assess the impact of Covid-19 on small and medium scale enterprise in Edo state, specifically the study will:

1. Examine the extent to how Covid-19 pandemic impact small and medium scale enterprise (SMEs) in Edo State.

2. To investigate how Covid-19 impacted patronage of the small and medium scale enterprise (SMEs) in Edo State
3. To determine the impact of the pandemic on the availability of SMEs workers in Edo State.
4. To determine the impact of corona virus pandemic (covid-19) on sales of goods by small and medium enterprises in Edo State.

Research Questions

The following research questions were formulated to guide this study.

1. To what extent does of the Covid-19 pandemic impact on SMEs in Edo State?
2. To what level has the Covid-19 pandemic impacted patronage of the SMEs in Edo State?
3. To what extent has the Covid-19 pandemic impacted the availability of workers in SMEs Edo State?
4. To what level has the Covid-19 pandemic impacted the sales of goods by SMEs Edo State?

Research Hypothesis

Four hypotheses were formulated and tested at 0.05 level of significance.

HO₁: There is no significant difference of the effect of COVID-19 between small and medium scale enterprises in Edo State.

HO₂: There is a significant difference of the effect of COVID-19 between small and medium scale enterprises in Edo State.

HO₃: The survival of small and medium scale enterprises in Edo State is not significantly affected by COVID-19 pandemic.

HO₄: The survival of small and medium scale enterprises in Edo State is significantly affected by COVID-19 pandemic.

Significance of the Study

This project work is of great importance in the sense that, it will reveal the extent at which Covid-19 pandemic affect small and medium scale enterprise. And also this study will help the federal government to design some measures to curb the effect of Covid-19 on small and medium scale enterprise and it citizens

The findings of this study willll help the government to know the impact of covid-19 on small and medium scale enterprises. Hence small and

medium scale enterprise will find out ways on how to reduce covid-19 effect. The government also would use some of the ways provided by the researcher to overcome the problem to small and medium scale enterprise.

The study will educate the small and medium scale enterprises on the policy responses to curb the impact of the corona virus disease (COVID-19) and how to improve the sales and workers availability during this period.

Finally the study will contribute to the body of the existing literature on the impact of corona virus disease (COVID-19) on small and medium scale enterprises. The study will serve as a repository of information to other researchers that desire to carry out similar research on the above topic.

Scope of the Study

This study is aimed at the impact of Covid-19 on small and medium scale enterprise in Edo State.. The research was limited to SMEs in Egor Local Government in Edo State.

CHAPTER TWO

REVIEW OF LITERATURE

This chapter presents the review of related literature on. The view was undertaken under the following sub-headings.

- Theoretical Framework
- Conceptual Framework
- Impacts of Covid 19 on the Economy of Nigeria
- Concept of SMEs
- Importance of SMES
- Direct effect of COVID-19
- Effect of Covid-19 on Small and Medium Scale Enterprises in Nigeria
- Empirical Framework
- Summary of Literature Reviewed

Theoretical Framework

Strategic alliance has its base in industrial linkages and economies of scale in industrial location theory. Linkages, according to Nwokocha et al. (2015), “deal with the concept of externality economies and in particular, in term of the distinction between pecuniary and technological externalities.”

Pecuniary externality is generated when the activities of an industry influence the profitability of others industries through market mechanism. There are four important theoretical approaches that explain the concept of strategic alliances. These theories are the transaction cost theory, the strategic approach, the organizational learning/ knowledge-based theory, and the resource-based view theory (Barney & Clark, 2007; Q. Ding et al., 2009).

Transaction cost reduction theory

This theory stipulates that firms enter into strategic interfirm alliances so as to scale down their production cost. In this theory, the firm's decision on the mode of transaction is influenced by the minimization of the sum of production and transaction costs (Yasuda, 2005, cited in Lammi, 2012). Strategic interfirm alliance enables industries to complement their weaknesses and to strengthen the competitive advantage of the collaborating companies. This is to promote and maintain a competitive market of small and medium scale enterprise.

Strategic perspective theory

Entry into strategic interfirm alliances is targeted at establishing competitive and synergetic advantages. This includes risk reduction and economies of scale which increase the firm's resource base (Dunning, 2015). In turbulent economic situations, strategic interfirm alliance provides an opportunity (ies) for shared resource pool which is capable of increasing the capacities of partnering industries and operations. In contrast to transaction cost theory, strategic perspective theory places emphasis on the internal aspects of firms and value creation, rather than cost reduction. Strategic alliances are seen as means to gain access to resources the firm might lack and must acquire to be able to continue its operations (Yasuda, 2005)

Knowledge-based theory

Strategic interfirm alliance help industries to acquire and share specialized knowledge as well as maintaining their own skills and capacities. This is such that strategic interfirm alliances create unique learning processes and opportunities for partnering firms. According to Grant (1996), knowledge based view is an alternative perspective on the organization and the competitive advantages of the firm. In view of this, all productivity is knowledge dependent and this means that the competitive advantages of a

firm is based on the creation and integration of knowledge. (Grant and Fuller, 1995; Grant, 1996), unlike the resource-based view which defined the boundary of the firm by the resource it employs, the knowledge-based view defines the boundary of a firm based on the amount of knowledge it can integrate (Grant, 1996).

Resource-based view theory

Strategic interfirm alliance enables industries to gain access to other firm's resources. These resources are both tangible (machines, tools and equipments) and intangible resources (skills, knowledge, expertise, etc.). The theory also stipulates that industries have unique resources that can be difficult for other firms to imitate and firms form alliance in order to have access to these resources. The resource-based view suggests that the rationale for alliances is the value-creation potential of firm resources that are pooled together (Das & Teng, 2000). These pooled resources are based on the differences between firms' resource endowments which enables them to achieve strong competitive advantages. Competitive advantages are achieved by firms with important resources, which give them favorable and strong strategic positions in the market (Das & Teng, 2000). Resource here

could be tangible-finance, machines and equipments, and so on-or intangible resources-brand name, skills and expertise, and so on. These four theories have shown that SSIs can survive turbulent economic situations such as the one created the COVID-19 pandemic if they align and partner each. This study therefore would be pursued from the standpoint of these theories.

Conceptual Framework

The coronavirus began in Wuhan, Hubei Province, China. Residents who lived in Wuhan had some link to a large seafood and live animal market, which suggest that the mode of transmission of coronavirus was from animal to person. The virus has been named “SARS-CoV-2” and the disease it causes has been named “coronavirus disease 2019” (abbreviated “Covid-19”). The first known patient of Coronavirus started experiencing symptoms in Wuhan, China on 1 December 2019. Since then, there have been over 800,000 reported cases around the world.

Covid-19: The Nigerian experience

The spread of Covid-19 the coronavirus entered Nigeria through an infected Italian citizen who came in contact with a Nigerian citizen who was

subsequently infected with the coronavirus. The coronavirus then spread to other citizens in Lagos and to other parts of the country.

Impacts of Covid 19 on the Economy of Nigeria

Before the pandemic, the Nigerian government had been grappling with weak recovery from the 2014 oil price shock, with GDP growth tapering around 2.3 percent in 2019. In February, the IMF revised the 2020 GDP growth rate from 2.5 percent to 2 percent, as a result of relatively low oil prices and limited fiscal space. Relatedly, the country's debt profile has been a source of concern for policymakers and development practitioners as the most recent estimate puts the debt service-to-revenue ratio at 60 percent, which is likely to worsen amid the steep decline in revenue associated with falling oil prices. These constraining factors will aggravate the economic impact of the COVID-19 outbreak and make it more difficult for the government to weather the crisis.

The Covid-19 pandemic affected the global economy in two ways. One, the spread of the virus encouraged social distancing which led to the shutdown of financial markets, corporate offices, businesses and events. Two, the rate at which the virus was spreading, and the heightened

uncertainty about how bad the situation could get, led to flight to safety in consumption and investment among consumers and investors (Ozili and Arun, 2020).² There was a general consensus among top economists that the coronavirus pandemic would plunge the world into a global recession.³ Top IMF economists such as Gita Gopinath and Kristalina Georgieva stated that the Covid-19 pandemic would trigger a global recession. In financial markets, global stock markets erased about US\$6 trillion in wealth in one week from 24th to 28th of February. The S&P 500 index also lost over \$5 trillion in value in the same week in the US while the S&P 500's largest 10 companies experienced a combined loss of over \$1.4 trillion due to fear and uncertainty among investors about how the pandemic would affect firms' profit. The travel restriction imposed on the movement of people in many countries led to massive losses for businesses in the events industry, aviation industry, entertainment industry, hospitality industry and the sports industry. The combined loss globally was estimated to be over \$4 trillion. Several governments in developed countries, such as the U.S. and U.K., responded by offering fiscal stimulus package including social welfare payments to citizens while the monetary authorities offered loan relief to help businesses

during the pandemic. There were also spillovers to poor and developing countries that had a weak public health infrastructure and non-existing social welfare programs.

Concept of SMEs

The experience of developed economies in relation to the roles played by SMEs support the fact that the relevance of SMEs cannot be overemphasized especially among less developed countries or rather developing countries.

In order to highlight the significance of SMEs in relation to the growth and development of a given economy, SMEs have been variously referred as the “engine of growth”. This stems from the fact that almost all countries have focused on the SMES sector and ensured its vibrancy have ended up succeeding in the significant reduction and its attendant enhancement in the quality of standard of living, reduction of crime rates, increase in per capita income as well as rapid growth in GDP among other salutary effects.

Small and medium sized enterprises (SMEs) constitute the engine of most of the world’s economies. SMES are a major source of entrepreneurial

skills, innovation and employment but they can be the companies most affected by the globalization process and are often confronted with certain difficulties and barriers; for example, SMEs frequently have difficulties in obtaining capital or credit, particularly in the early start-up phase. SMEs are defined differently around the world. The country a company operates in provides the specifics on the defined size of SMEs. The sizing or categorization of a company as SMEs depending on a country can be based on a number of characteristics. The traits include annual sales, number of employees, the amount of asset owned by the company, market capitalization, etc.

SMEs make up the majority of the businesses operating around the world. Generally, they are independent firms with less than 50 employees. However, the maximum number of employees is different from one country to the next.

Nigeria is unarguably one of the largest economies in the Sub-Saharan Africa¹. Though she relies majorly on oil, her economy is also grown by pockets of corporate organizations covering almost all spheres of activities within the country, ranging from multinational corporations with offices

within the country, indigenous companies, and largely by small and medium scale enterprises (SMEs). Our area of focus in this discourse is the small and medium scale Enterprises (SMEs).

SMEs are non-subsidiary, independent firms/organizations which employ fewer numbers of employees. This number varies across countries. According to the European Union (EU), SMEs are categories of micro, small and medium-sized enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million Euros. In Nigeria, the Central Bank of Nigeria in its monetary policies circular No. 22 of 1988 defined SMEs as enterprises which have an annual turnover not exceeding Five Hundred Thousand Naira (N500,000). For the sake of clarity, the National Policy on Micro Small and Medium Enterprises (MSMEs) has given a clear distinction of enterprises, based on employment and Assets.³ SMEs are organizations which can best be described through their capital, scope and cost of projects, annual turnover, financial strength and number of employees amongst other things. Such organizations must and can be registered under any part of the Companies and Allied Matters Act (CAMA)

in order to do business in Nigeria. Nevertheless, it is usually advised that SMEs register under Part B of the CAMA.

Importance of SMES

The role small and medium enterprises play in the development of country is very important. SMEs have greatly contributed to the Nigerian development in terms of employment, growth and development, and marketing of goods and services (Ayozie O, 2006). The Nigerian Government is turning to small and medium scale industries and entrepreneurs as a means of developing the economy and solving problems (Latinwo and Ayozie, 2010). A great percentage of all registered companies in Nigeria are constituted by small scale industries and they have been in existence for a long time (Ayozie, 2006).

Around the world, a lot has been said about SMEs. Also there has been various subject of discussions, seminars, and workshops both locally and internationally about SMEs. Some government have specifically formulated policies to aid the empowering, growth, development and performance of SMEs, while have assisted through loans and fiscal incentives (Onugu, 2005). According to Central bank of Nigeria report

(2003), SMEs are very important economic catalyst in developing and industrialized countries, in developed countries 98% or more than belong to the small and medium scale sector. In Japan, 80% of industrial labour force is employed by small firms, 50% in Germany and 46% in USA are employed by smaller businesses.

According to the United Nations Industrial Development Organization (UNIDO), developing countries can conquer poverty and inequality by democratizing, deregulating, and liberalizing the integration of global economy. Recently studies have shown that SMEs contribute to over 55% of GDP and over 65% of total employment in high income countries also that SMEs and informal enterprises account for over 60% of GDP and over 70% of total employment in middle income countries (OECD, 2004).

SMEs are important role players in contributing to the transition of agriculture led economies to industrial ones, SMEs help in the absorption of productive resources at all levels of the economy and contribute to the building of flexible economic system in which small and large firms are interlinked (Fida, 2008).

According to Kongolo (2010), SMEs are responsible for the growing forces of the largest growing economy China in terms of national GDP contribution which amount up to 60% diversification of product, scale of assets and creation of employment. A lot of people rely on the small and medium enterprises either directly or indirectly. Social income distribution, employment and tax revenue, adequate utilization of resources and stable family income are some of the significant effects SMEs have (Fida, 2008). Many technological processes and innovations are attributed to small and mid-size enterprises (SMEs). Since large enterprises tend to focus on improving the old products to produce more quantities and obtain general benefits of dimensional economy, such companies are not as flexible as the SMEs. In order to be successful, the SMEs focus on creating new products or services; hence, they are capable of adapting faster to the changing requirements of the market. SMEs play a vital role in shaping a country's economy. They can be considered an attractive and huge innovative system. Due to the socially and economically beneficial effects of the SMEs, the sector is considered an area of strategic interest in an economy. Small and medium-sized enterprises stimulate competition for the design of products,

prices, and efficiency. Without SMEs, large enterprises would hold a monopoly in almost all the activity areas. Small and medium-sized enterprises help large companies in some areas of operation that they are better able to supply. Hence, SMEs are dissolved immediately; the big enterprises will be forced to be involved in more activities, which may not be efficient for these enterprises. Activities such as supplying raw materials and distributing the finished goods created by big enterprises are developed more efficiently by SMEs. The significance of small and medium-sized enterprises is also recognized by the governments. Hence, they offer regular incentives to SMEs, such as easier access to loans and better tax treatment.

Direct effect of COVID-19

There are five main ways through which the Covid-19 pandemic spilled over into Nigeria. One, the Covid-19 pandemic affected borrowers' capacity to service loans, which gave rise to NPLs that depressed banks' earnings and eventually impaired bank soundness and stability. Subsequently, banks were reluctant to lend as more and more borrowers struggled to repay the loans granted to them before the Covid-19 outbreak. Two, there were oil demand shocks which was reflected in the sharp decline

in oil price. The most visible and immediate spillover was the drop in the price of crude oil, which dropped from nearly US\$60 per barrel to as low as US\$30 per barrel in March. During the pandemic, people were no longer travelling and this led to a sustained fall in the demand for aviation fuel and automobile fuel which affected Nigeria's net oil revenue, and eventually affected Nigeria's foreign reserve. Three, there were supply shocks in the global supply chain as many importers shut down their factories and closed their borders particularly China. Nigeria was severely affected because Nigeria is an import-dependent country and as a result Nigeria witnessed shortage of crucial supplies like pharmaceutical supplies, spare parts, and finished goods from China. Four, the national budget was also affected. The budget was initially planned with an oil price of US\$57 per barrel. The fall in oil price to US\$30 per barrel meant that the budget became obsolete and a new budget had to be formed that was repriced with the low oil price. Finally, the Covid-19 pandemic affected the Nigerian stock market. Major market indices in the stock market plunged when investors pulled out their investments into so-called safe havens like US Treasury bonds. Stock market investors lost over NGN2.3 trillion (US\$5.9bn) barely three weeks after the

first case of coronavirus was confirmed and announced in Nigeria on January 28, 2020. The market capitalisation of listed equities, which was valued at NGN13.657 trillion (US\$35.2bn) on Friday, February 28, 2020 depreciated by NGN2.349 trillion to NGN11.308 trillion (US\$29.1bn) on Monday 23 March 2020. The All-share index closed at 21,700.98 from 26,216.46 representing 4,515.48 points or 20.8 per cent drop.

Aggregate Demand Will Fall, But Government Expenditure Will Rise

In Nigeria, efforts were already being made to bolster aggregate demand through increased government spending and tax cuts for businesses. The public budget increased from 8.83 trillion naira (\$24.53 billion) in 2019 to 10.59 trillion naira (\$29.42 billion) in 2020, representing 11 percent of the national GDP, while small businesses have been exempted from company income tax, and the tax rate for medium-sized businesses has been revised downwards from 30 to 20 percent. Unfortunately, the COVID-19 crisis is causing all components of aggregate demand, except for government purchases, to fall.

The fall in household consumption in Nigeria will stem from 1) partial (or full) restrictions on movement, thus causing consumers to spend

primarily on essential goods and services; 2) low expectations of future income, particularly by workers in the gig economy that are engaged on a short-term/contract basis, as well as the working poor in the informal economy; and 3) the erosion of wealth and expected wealth as a result of the decline in assets such as stocks and home equity. The federal government has imposed a lockdown in Lagos and Ogun states as well as Abuja (which have the highest number of coronavirus cases combined). Subnational governments have quickly followed suit by imposing lockdowns in their states. Nigeria has a burgeoning gig economy as well as a large informal sector, which contributes 65 percent of its economic output. Movement restrictions have not only reduced the consumption of nonessential commodities in general, but have affected the income-generating capacity of these groups, thus reducing their consumption expenditure.

Investments by firms will be impeded largely due to the uncertainties that come with the pandemic-limited knowledge about the duration of the outbreak, the effectiveness of policy measures, and the reaction of economic agents to these measures-as well as negative investor sentiments, which are causing turbulence in capital markets around the world. Indeed, the crisis has

led to a massive decline in stock prices, as the Nigerian Stock Exchange records its worst performance since the 2008 financial crisis, which has eroded the wealth of investors. Taking into consideration the uncertainty that is associated with the pandemic and the negative profit outlook on possible investment projects, firms are likely to hold off on long-term investment decisions.

On the other hand, government purchases will increase as governments, which typically can afford to run budget deficits, utilize fiscal stimulus measures to counteract the fall in consumer spending. However, for governments that are commodity dependent, the fall in the global demand for commodities stemming from the pandemic will significantly increase their fiscal deficits. In Nigeria's case, the price of Brent crude was just over \$26 a barrel on April 2, whereas Nigeria's budget assumes a price of \$57 per barrel and would still have run on a 2.18 trillion naira (\$6.05 billion) deficit. Similarly, with oil accounting for 90 percent of Nigeria's exports, the decline in the demand for oil and oil prices will adversely affect the volume and value of net exports. Indeed, the steep decline in oil prices associated with the pandemic has necessitated that the Nigerian government cut

planned expenditure. In fact, on March 18, the minister of finance announced a 1.5 trillion naira (\$4.17 billion) cut in nonessential capital spending.

The restrictions on movement of people and border closures foreshadow a decline in exports. Already, countries around the world have closed their borders to nonessential traffic, and global supply chains for exports have been disrupted. Although the exports of countries that devalue their currency due to the fall in the price of commodities (like Nigeria), will become more affordable, the limited markets for nonessential goods and services nullifies the envisaged positive effect on net exports.

Effect of Covid-19 on Small and Medium Scale Enterprises in Nigeria

Impact of disruptions of business cash flows

For many organisations, effective cash flow management is likely to be critical during this period as revenues fall and potentially, debtors delay payments or become insolvent. It may be necessary to provide emergency funding to the most adversely affected subsidiaries in a group, and/or to repatriate cash to the center in order to service external loans or group commitments.

Impact on supply chain disruption

In the current environment, supply chains may be disrupted for many reasons. Suppliers or vendors may lack staff due to illness or lockdowns; transport routes may be disrupted; import/export bans may apply; and insolvencies may occur. Companies may need to switch suppliers or selling channels; they may need to change the quantity or type of products and service which are bought or sold, or modify transport routes.

Impact of travel restrictions for directors unable to attend board meetings

Travel bans may make physical attendance at board meetings impossible, such as would occur in a case where a director has travelled abroad and can no longer return to attend board meetings. This can serve as a huge limitation to business growth and development.

Implications for employees working from home

Employees are having to work remotely from home in a number of states in Nigeria. In other situations, employers are putting in place alternative working arrangements such as rotational work shifts that were

not in place before this crisis. This would obviously affect productivity of staff and by extension the growth of these SMEs.

Implication compliance and administration during this crisis

With staff working from home and business leaders focusing on the survival of the business, organizations may struggle during this time to maintain strong daily oversight of compliance processes and, as a result, important compliance deadlines may be missed.

Empirical Framework

The literature on economic crisis is vast. Morales and Sachs (1989), in their analysis of the economic crisis in Bolivia, show that Bolivia suffered from major external shocks, including the rise in world interest rates in the early 1980s, the cutoff in lending from the international capital markets, and the decline in world prices of Bolivia's commodity exports. Bolivia also witnessed hyperinflation from 1984 to 1985 which did not result from the dislocations of war or revolution. The hyperinflation was a disaster for the Bolivian economy because many well-connected rent seeking individuals made large profit in the hyperinflation. Anybody with access to official foreign exchange from the central bank purchased cheap dollars and sold

them at a several hundred percent profit in the black market. Similarly, commercial banks who took deposits at zero interest were lending money at high nominal interest rates. Similarly, the government extended large amounts of low-interest loans to politically powerful landowners which became grants to them as a result of the hyper-inflation (Morales and Sachs, 1989). Honkapohja and Koskela (1999) show that, in the 1990s, Finland experienced a deep depression as its GDP dropped to about 14% and unemployment rose from 3 to almost 20%. This was caused by both bad luck and bad policies. Bad luck took the form of external shocks such as the collapse of trade with the former Soviet Union in 1991 while bad policies took the form of a poorly designed financial regulation and mistaken policy reactions to the onset of the crisis. There was also high private sector's indebtedness which increased structural unemployment, and this explained why there were few job creation during the economic recovery (Honkapohja and Koskela, 1999). Di Quirico (2010) show that the 2007-8 global financial crisis affected Italy's economy due to lack of structural reforms prior to the crisis. Italy had barely recovered from twenty years of political instability and economic decline, and the 2007-8 global financial crisis further

worsened the 4 economic situation in Italy. The widespread corruption (granting business contracts on the basis of political connections rather than by merit), the absence of investment in new projects for economic growth, and the inability of the ruling government to initiate real reforms contributed to the economic crisis in Italy (Di Quirico, 2010). Thailand was affected by the Asian economic crisis. Glassman (2001) showed that the economic crisis in Thailand was rooted in declining profitability of the manufacturing sector during a time of increased global export competition and overcapacity in Asia. This triggered the economic downturn throughout the Asian region, with Thailand falling first because of its significant liabilities, and other countries being pulled into forced devaluation through financial contagion effects (Glassman, 2001). Nigeria witnessed two economic crises within a decade. The economic crisis of 2009 was as a result of the global financial crisis while the economic crisis in 2016 was as a result of the sudden fall in oil price in the world market. The 2009 recession was caused by a combination of the aftereffect of the 2007-8 global financial crisis, poor loan underwriting process in banks, bad risk management practices and poor corporate governance of banks (Sanusi, 2010). Banks were a major cause of

the 2009 economic crisis. The 2016 economic crisis was caused by unexpected decline in oil price which led to a sharp drop in oil revenue which severely affected Nigeria's foreign reserve (Adeniran and Sidiq, 2018). This led to massive balance of payment deficits combined with an already high debt burden which plunged Nigeria into its second recession in a decade. The literature also show that economic crises have notable consequences. For instance, Carneiro et al (2014) show that the economic crisis in Portugal gave rise to job destruction due to the collapse of existing firms, increasing unemployment rate, increase in the incidence of minimum wage freeze, and also led to an increasing number of temporary workers. Cheong (2001) show that there was increasing income inequality during the Korean economic crisis, while Giannakis and Bruggeman (2017) in their analysis of the economic crisis in Greece observed that rural regions are more resistant to recessionary shocks than urban regions. Other consequences include: high mortality rates from homicide, pneumonia, and alcohol dependence during economic crisis (Khang et al, 2005), and the collapse of many small and medium scale enterprises (Soininen et al, 2012). So far, the literature has not analysed the effect or consequence of a health

crisis on the economy. More specifically, the effect of coronavirus, or Covid-19, on economic activities and performance have not been explored in the literature.

Summary of Literature Reviewed

The prime motivating factor of the study is to explore the impact of COVID-19 on small and medium enterprises (SMEs) and strategize for post-COVID-19 economic recovery in the country. The conceptual framework for the performance of SMEs is significant especially as a result of lack of clear framework for exploring the impact of COVID-19 on SMEs in making the economy thrive in the country. It is not arguable to posit that, COVID-19 has drastically contributed to the decline in utilizing SMEs as an important yardstick in reducing the high rate of unemployment and job creation (Ayyagari et al., 2011). It is not disagreeable to posit that; literature acknowledges that SMEs immensely contribute to the socio-economic growth and development of different countries. For instance, literature establishes that market orientation has significant impact on the relationship between entrepreneurial orientation and SMEs performance (Amin et al., 2016). It is further explained that, SMEs significantly contribute to gross

domestic product (GDP), growth of export earnings, and creation of employment opportunities (Pulka et al., 2017). It is vital to reiterate that literature asserts that, strategies for propelling SMEs should be put in place especially considering technological, competitive changes and rapid market. Literature contends that SMEs essentially contribute to the enhancement of export earnings, GDP, growth of local products and new market development (Pulka et al., 2017).

However, literature confirms that despite the fact that, the government has been striving to improve on SMEs, there is still low contributions of SMEs to GDP in developing countries like Nigeria compared to other developed countries like Japan, Germany, Singapore, Rome and many others (Kushnir et al., 2010; Şerban, 2015). In addition, it helps in the development of new entrepreneurs who are expected to create more wealth, employment and immensely add to the overall economy of a particular country (Ayyagari et al., 2011). The aforementioned determinants of SMEs performance are also confirmed in the context of Nigeria as literature expounds (Fida, 2008; Aminu & Shariff, 2015). As a result of the fact that studies have posited that, at the international level, 95% of the businesses are from SMEs. This

inferably means that, it contributes up to 60% of the employment in the sector of the economy especially in private sector. Hence, it is paramount to ensure that, the improvement of SMEs provides sustainable strategies for the responsiveness to the current challenge of COVID-19. Although, literature emphatically stresses that developing country like Nigeria can provide efficiency of SMEs because it is an essential player for improving productivity, competitiveness, innovation and entrepreneurship (Shrivastava, 2016). This position should not be underestimated because Organization for Economic Cooperation and Development-OECD- (2017) submitted that, SMEs are estimated as 63% of the whole employment of the member countries especially an emphasis has been made towards enhancing global and digitalized economy (OECD, 2017). With the current scenario of COVID-19, there is need to address the high level of mortality rate as literature canvasses in the country. Onwards, it is significant that, SMEs should be expanded to manufacturing industries in order to magnify the prospect of SMEs. Nonetheless, the reality on ground has demonstrated that, as a result of ineffective strategies and poor performance of SMEs, many businesses have been closed down since the beginning of the pandemic. It is

established that youth unemployment rate has proliferated from an approximate of 22% in 2009 to 24% in 2016 as literature contends (Chile, 2016). Nonetheless, the fact is that, the government has initiated different social interventions programs in the recent such as N-Power in order to drastically reduce the rate of unemployment among the teaming youths. This kind of social interventions programs is an indication that there is no adequate mechanism for promoting SMEs towards job creation. It is however important to stress that several or multifarious challenges are facing SMEs such as lack of unstable policy, inadequate finance, lack of adequate infrastructure, inadequate transportation, lack of electricity, lack of passion and curiosity for investment, socio-political ambition of entrepreneurs and many others (Adebisi et al., 2015). All the aforementioned factors are issues that are of concern in the past. More importantly, the study by Pulka et al. (2017) explored the impact of strategic intelligence, competitive intelligence, artificial intelligence, knowledge management, business process management in connection with SMEs and the findings demonstrated significant positive impact. Nonetheless, it should be asserted that the pandemic of COVID-19 has drastically affected the role of SMEs in

fostering the economic growth of different countries in general and Nigeria in particular. Reiteratively, the impact of COVID-19 on SMEs in the country remains an ongoing area of research to be explored because, there is less focus of attention on the effect of COVID-19 on SMEs with the main target on post-COVID-19 economic recovery. This research is towards resource diversification for sustainable economy in order to attain to attain post COVID-19 economic recovery. This position is in line with the assertion of Bassey (2012) that advocated for diversification of resources in attaining sustainable economy development in the country. Therefore, this paper attempts to investigate the performance of SMEs as a remedy to economic impact of COVID-19 in the country.

CHAPTER THREE

METHODOLOGY

This chapter gives a description of the method and procedures used in the study. The component parts of the research methodology are

- Design of the Study
- Population of the Study
- Sample and Sampling Technique
- Research Instrument
- Validity of Instrument
- Reliability of Instrument
- Method of Data Collection
- Method of Data Analysis

Design of the Study

A descriptive survey research design applied in this study. Survey research design is defined as the systematic collection and analysis of information from a large number of people through their responses (Chinweuba Ilo, Agbapauonwu, Ogbonnaya, Obasi, Makata N.E., &

Iheanacho, P. 2014). It is considered the most frequently used and easy because it makes use of structured questions and it's fast.

Population of the Study

The population of the study comprises of all small and medium scale enterprises in Egor Local Government Area of Edo State.

Sample and Sampling Technique

Twenty (20) different business enterprise would be selected from Egor Local Government Area of Edo State as the sample for the study using simple random sampling technique. Hundred (100) employees would be selected from some small and medium scale enterprise as the population.

Research Instrument

The research instrument is a questionnaire designed by the researcher. It is divided into two sections: Section A and B. Section A contains particulars of the respondents (demographic data) and section B contains twenty items. The questions contained in the questionnaire revolves round the research questions raised in the chapter one of this study and the response obtained from the respondent will help to validate the research questions.

Validity of the Instrument

In order to ascertain the validity of the instrument, the questionnaire designed by the researcher would be given to the supervisor and two lecturers in the Department of Vocational and Technical Education (VTE) to scrutinize and for necessary corrections to ensure content as well as face validity. Corrections made on the draft would be incorporated in the final draft.

Reliability of Instrument

A test re-test reliability method will be used to establish the reliability of instrument. The copies of the questionnaire would be administered to the respondents, after two weeks the same instrument was re-administered to the same group. The data collected after both administration were analysed using Pearson Product Correlation Coefficient, the reliability of the instrument was established at 0.96.

Method of Data Collection

The questionnaires were administered personally by the researcher who carefully explained to the respondents and stayed to give assistance to

respondents who had some difficulty. The questionnaires were collected as soon as they were completed.

Method of Data Analysis

The data collected is properly organized and tabulated. The responses is statistically analysed by the use of simple percentage.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

This chapter deals with the presentation of data and their analysis, interpretation and discussion of findings by the researcher based on the data gathered from the research instrument. The analysis answered and tested the research questions and hypotheses that were presented for the study.

Bio Data of Respondents

Table 1 gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	60	60.0	60.0	60.0
	Female	40	40.0	40.0	100.0
	Total	100	100.0	100.0	

Source: field survey, May, 2021.

Table1 above shows the gender distribution of the respondents used for this study. 60 respondents which represent 60.0percent of the population are male while the remaining 40 respondents which represent 40.0 percent of the population are female.

Table 2: Age grade of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below				
17years	15	15.0	15.0	15.0
18-20years	15	15.0	15.0	30.0
21-30years	40	40.0	40.0	70.0
31-40years	10	10.0	10.0	80.0
41-50years	10	10.0	10.0	90.0
Above 50years	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: field survey, May, 2021.

Table 2 above shows the age grade of the respondents used for this study.

15 respondents which represent 15.0percent of the population are below 17 years.15 respondents which represent 15.0 percent of the population are between 18-20years.40respondents which represent 40.0 percent of the population are between 21-30years.10respondents which represent 10.0 percent of the population are between 31-40years.10respondents which

represent 10.0 percent of the population are between 41-50years while 10respondents which represent 10.0 percent of the population are over 50years.

Answering Research Questions

Research Question 1: To what extent does the Covid-19 pandemic impact on SMEs in Edo State?

Table 3:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	50	50.0	50.0	50.0
	Agree	25	25.0	25.0	75.0
	Undecided	5	5.0	5.0	80.0
	Disagree	10	10.0	10.0	90.0
	Strongly disagree	10	10.0	10.0	100.0
	Total	100	100.0	100.0	

Source: field survey, May, 2021.

Table 3 shows the responses of respondents that Covid-19 pandemic impacted on SMEs in Edo state. 50 respondents representing 50.0 percent strongly agree that Covid-19 impacted on SMEs in Edo state. 25

respondents representing 25.0 percent agree that Covid-19 impacted on SMEs in Edo state. 5 respondents representing 5.0 percent were undecided. 10 respondents representing 10.0 percent disagree that corona virus pandemic impacted on SMEs in Edo state while the remaining 10 of the respondents representing 10.0 percent strongly disagrees that Covid-19 pandemic impacted on SMEs in Edo state.

Research Question 2: To what level has the Covid-19 pandemic impacted patronage of the SMEs in Edo State?

Table 4:

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	40	40.0	40.0	40.0
	Agree	50	50.0	50.0	90.0
	Undecided	2	2.0	2.0	92.0
	Disagree	3	3.0	3.0	95.0
	strongly disagree	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

Source: field survey, May, 2021.

Table 4 shows the responses of respondents that Covid-19 pandemic impacted patronage of SMEs in Edo state. 40 respondents representing 40.0 percent strongly agree that Covid-19 pandemic impacted patronage of SMEs in Edo state. 50 respondents representing 50.0 percent agree that Covid-19 pandemic impacted patronage of SMEs in Edo state. 2percent were undecided. 3 respondents representing 3.0 percent disagrees that Covid-19 pandemic impacted patronage of SMEs in Edo state. 5 of the respondents representing 5 percent strongly disagrees that Covid-19 pandemic impacted patronage of SMEs in Edo state. 10 respondents representing 10.0 percent disagree that Covid-19 pandemic impacted patronage of SMEs in Edo state, while the remaining 10 of the respondents representing 10.0 percent strongly disagrees that Covid-19 pandemic impacted patronage of SMEs in Edo state.

Research Question 3: To what extent has the Covid-19 pandemic impacted the availability of workers in SMEs in Edo state?

Table 5

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	40	40.0	40.0	40.0
Agree	50	50.0	50.0	90.0
Undecided	2	2.0	2.0	92.0
Disagree	5	5.0	5.0	97.0
strongly disagree	3	3.0	3.0	100.0
Total	100	100.0	100.0	

Source: field survey, May, 2021.

Table 5 shows the responses of respondents that Covid-19 pandemic impacted the availability of workers in SMEs of Edo state. 40 respondents representing 40.0 percent strongly agree that Covid-19 pandemic impacted the availability of workers in SMEs of Edo state. 50 respondents representing 50.0 percent agree that t Covid-19 pandemic impacted the

availability of workers in SMEs of Edo state. 2 respondents representing 2 percent were undecided. 5 respondents representing 5.0 percent disagrees that Covid-19 pandemic impacted the availability of workers in SMEs of Edo state, while the remaining 3 of the respondents representing 3 percent strongly disagree that Covid-19 pandemic impacted the availability of workers in SMEs of Edo state.

Research Question 4: To determine the impact of the Covid-19 pandemic on sales of goods by small and medium scale enterprises in Edo state?

Table 6:

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	50	50.0	50.0	50.0
Agree	30	30.0	30.0	80.0
Undecided	5	5.0	5.0	85.0
Disagree	10	10.0	10.0	95.0
strongly agree	5	5.0	5.0	100.0
Total	100	100.0	100.0	

Source: field survey, May, 2021.

Table 6 shows the responses of respondents that impact of the Covid-19 pandemic on sales of goods by small and medium scale enterprises in Edo state. 50 respondents representing 50.0 percent strongly agree that impact of the Covid-19 pandemic on sales of goods by small and medium scale enterprises in Edo state. 30 respondents representing 30.0 percent agree that impact of the Covid-19 pandemic on sales of goods by small and medium scale enterprises in Edo state. 5 respondents representing 5 percent were undecided. 10 respondents representing 10.0 percent disagrees that impact of the Covid-19 pandemic on sales of goods by small and medium scale enterprises in Edo state, while the remaining 5 of the respondents representing 5 percent strongly disagrees that impact of the Covid-19 pandemic on sales of goods by small and medium scale enterprises in Edo state.

Research Hypotheses

Hypothesis 1

HO₁: There is no significant difference of the effect of COVID-19 between small and medium scale enterprises in Edo State.

HO₂: There is a significant difference of the effect of COVID-19 between small and medium scale enterprises in Edo State.

Level of significance: 0.05

Table Test Statistics

SMEs are significantly affected by the Corona
Virus disease

Chi-Square	105.520 ^a
Df	3
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 25.0.

Conclusions based on decision rule:

Since the p-value= 0.000 is less than the level of significance (0.05), we reject the null hypothesis and conclude that SMEs are significantly affected by the Corona Virus disease.

Hypothesis 2

HO₃: The survival of small and medium scale enterprises in Edo State is not significantly affected by COVID-19 pandemic.

HO₄: The survival of small and medium scale enterprises in Edo State is significantly affected by COVID-19 pandemic.

Level of significance: 0.05

Discussion of Findings

The result of this study has been quite instructive, informative and revealing. Based on the analysis of data or information collected from the opinion of the respondents on: Impact of Covid-19 on small and medium scale enterprise in Edo State

The findings of research question one shows that the COVID-19 pandemic impact on SMEs as certain factors led to the closure of some business enterprise and shortage of jobs in Egor LGA of Edo state.

The findings of research question two reveals that the COVID-19 pandemic impacted patronage of SMEs as certain factors like the lockdown imposed by the government resulted to lack of patronage from customer and production process and also made personnel unavailable to carry out production tasks.

The findings of research question three shows that the pandemic impacted the availability of workers in SMES as the lockdown ensured all non-essential workers were not required to work.

The findings of research question four shows that the pandemic impacted the sales of goods by SMEs. Business closure led to no sales made over a significant period of time, also there was low patronage of SMEs as most citizens were indoors due to fear of contacting the Covid-19 virus. This resulted to low profit ratio and a fall in revenue by SMEs in Edo state.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

The study investigated the impact of COVID-19 on small and medium scale enterprise in Edo state. The researcher looked widely on how they respond to the level to which Covid-19 have impacted on small and medium scale enterprise, the level to which it impacted the patronage of SMEs, the extent to which it influenced the availability of workers, and the extent to which it influenced the sales of goods by small and medium scale enterprise (SMEs).

Summary of Findings

Findings from the study revealed the following:

- The COVID-19 pandemic impacted on SMEs in Edo state leading to loss of job to some workers.
- The COVID-19 pandemic impacted patronage of SMEs in Edo state.
- The COVID-19 pandemic impacted the availability of workers in Edo State.

- The COVID-19 pandemic impacted the sales of goods which led to a fall in revenue and resulted in a low profit ratio.

Conclusion

This research analyzed the impact of COVID-19 Virus on SMEs in Edo state. It showed that the spillover of Covid19 pandemic into Nigeria coupled with declining oil price, which were external shocks has severely affected the growth and development of small businesses in Nigeria in 2020. The structural problems in Nigeria at the time prolonged the economic crisis. The scope and severity of the economic crisis is a clear signal that growth and development reforms are needed in Nigeria. In retrospect, the Nigerian government was wise to use fiscal and monetary stimulus package as a partial solution to revive falling aggregate demand.

Recommendations

Based on the investigation carried out in the research the following recommendation are made:

1. The government should invest more into small and medium scale enterprise (SMEs) to ensure the survival of small and medium scale businesses during difficult times.

2. Small and medium scale enterprise owners should identify and focus on their most valuable products and services and eliminate everything else.
3. Small and medium scale business owners should make effort to reach their customers via online platforms and promote their goods and services.

Possible Solutions on the Effect of the Corona Virus on Small and medium enterprise

The COVID-19 pandemic is a wake-up call to policymakers as the unusual and unprecedented nature of the crisis has made it impossible for citizens to rely on foreign health care services and more difficult to solicit for international support given the competing demand for medical supplies and equipment. A more integrated response spanning several sectors-including the health, finance, and trade sectors-is required to address structural issues that make the country less resilient to shocks and limit its range of policy responses. In the long term, tougher decisions need to be made, including but not limited to diversifying the country's revenue base away from oil exports and improving investments in the health care sector in ensuring that the economy is able to recover quickly from difficult conditions in the future.

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APPENDIX
UNIVERSITY OF BENIN
FACULTY OF EDUCATION
BENIN CITY

RESEARCH TOPIC: Impact of Covid-19 on Small and Medium Scale Enterprises in Edo State.

INTRODUCTION

This questionnaire is solely for research purpose. Do not write your name. Please answer each question as honestly as possible. Your response will be treated with utmost confidentiality. Answer the question by ticking (✓) in the appropriate box that best describes your view

General Information

1. Sex: Female () Male ()
2. Please indicate your age from the choices below
 - (a) Below 25 years () (b) 26-35 years () (c) 36-45 years ()
 - (d) Above 45 years ()
3. Kindly indicate your highest academic qualification
 - (a) Primary school level () (b) Secondary school ()
 - (c) University level ()
 - Others (please specify).....

SECTION B

KEY: Strongly Agree = (SA) Agree = (A) Undecided = (U)

Disagree = (D) Strongly Disagree = (SD)

S/NO	ITEMS	SA	A	U	D	SD
	To what extent does the Covid-19 pandemic impact on small and medium scale enterprise (SMEs) in Edo state?					
1	The pandemic has negative effect on small and medium scale enterprise in Edo State					
2	The COVID 19 pandemic has led to low profitability in small and medium scale enterprise in Edo State					
3	There are implications of the pandemic on the world economy					
4	Small and Medium scale enterprise are significantly affected by the Corona Virus.					
5	The COVID 19 pandemic has also negatively affected the economy of Nigeria.					
	To what level has the Covid-19 pandemic impacted patronage of the small and medium scale enterprise (SMEs)?					
6.	Patronage of SMEs in Nigeria is at an all-time low as a result of the COVID 19 pandemic so as to improve consumption					
7.	There is lack of buyers of goods due to the lockdown and movement restriction caused by the pandemic					

8.	There is lack of personnel available to produce goods due to the lockdown caused by the pandemic.					
9.	The restriction of movement and closure of all business activities caused by to Covid-19 pandemic has affected the patronage of small and medium scale enterprise.					
10.	There is a reduction in demands for orders (goods) due to the Covid-19 pandemic.					
	To what extent has the Covid-19 pandemic impacted the availability of workers in SMEs in Edo State?					
11.	The productivity level of staffs and employees are affected as a result of working from home due to the lockdown caused by the COVID-19 pandemic.					
12.	Most workers lost their jobs due to low income of the enterprise caused by the Covid-19 pandemic					
13.	There are slash of salary of most workers due to low income of the enterprise caused by Covid-19 pandemic					
14.	There is lack of job opportunities in Benin Metropolis due to the COVID-19 pandemic.					
15.	Due to the limited resources many SMEs have closed down due to the COVID-19 pandemic.					
	To what level has the Covid-19 pandemic impacted the sales of goods by SMEs in Edo State?					
16.	There is lack of buyers of goods due to the lockdown and movement restriction caused by the pandemic.					

17.	There is lack of materials available for production due to the lockdown movement restriction caused by the Covid-19 pandemic					
18.	There are lack of personnel available to produce goods due to the lockdown caused by the Covid-19 pandemic.					
19.	The supply of goods has become difficult due to the lockdown caused by the Covid-19 pandemic.					
20	There is high demand of goods due to low production of products caused by the Covid-19 pandemic					