The Effects of COVID 19 on Generational Economy: Evidences from Nigeria

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Outline of the Presentation

1. Introduction and Background
2. Status of COVID pandemic in Nigeria
3. Demographic Characteristics of Different Generations in Nigeria
4. Effects of COVID 19 on Generational Economy
5. Policy Implications of the Results
Introduction and background

• Africa’s population was 1.3 billion in 2019 and projected to reach 2.5 billion by 2050

• Nigeria’s population was 201 million in 2019 and projected to reach 401 million in 2050

• With these, countries of sub-Saharan Africa could account for more than half of the growth in the world’s population between 2019 and 2050, and the population of that region is projected to continue growing through the end of the century.
**Introduction and background**

**Age Structure of Population by Region in 2019**

<table>
<thead>
<tr>
<th>Region</th>
<th>Under 25 years old</th>
<th>26-64 years old</th>
<th>65 years and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nigeria</td>
<td>63</td>
<td>34</td>
<td>3</td>
</tr>
<tr>
<td>West Africa</td>
<td>63</td>
<td>34</td>
<td>3</td>
</tr>
<tr>
<td>Ghana</td>
<td>57</td>
<td>40</td>
<td>3</td>
</tr>
<tr>
<td>Africa</td>
<td>60</td>
<td>37</td>
<td>3</td>
</tr>
<tr>
<td>LAC</td>
<td>41</td>
<td>50</td>
<td>3</td>
</tr>
<tr>
<td>Asia</td>
<td>39</td>
<td>52</td>
<td>3</td>
</tr>
<tr>
<td>Oceania</td>
<td>38</td>
<td>49</td>
<td>3</td>
</tr>
<tr>
<td>Northern America</td>
<td>31</td>
<td>53</td>
<td>3</td>
</tr>
<tr>
<td>Europe</td>
<td>26</td>
<td>64</td>
<td>3</td>
</tr>
</tbody>
</table>

Africa has the largest proportion of children and youths in the world and its share of the population at working ages (25 to 64 years) is increasing, providing an opportunity for accelerated economic growth.
Introduction and background

• First case of COVID 19 in Nigeria was February 27, 2020 and it was imported
• The types of uncertainty and economic shocks associated with the illness had been unprecedented
• The pandemic has reminded us of
  – Global health security
  – Weaknesses in health systems, social protection and public services.
  – Weakness of the economic systems and dependence on social systems
  – Laying bare the way in which the formal economy of developing countries including Nigeria has been sustained on the back of an informal economy and invisible and unpaid care labour.
Daily Epidemic Curve of Confirmed Cases in Nigeria, 27 Feb – 20 July 2020
Direct Effects of the COVID 19 Illness on Individuals

Age-Sex Distribution of Confirmed Cases (WK9 – WK30)

- Loss of Productivity and production
- Most of the affected persons falls within the working age population
- 76% of the confirmed cases are between 20 and 60 years old (25% are with 31-40 years old)
- 64% are male while 36% are female
Direct Effects of the COVID 19 Illness on Individuals

Age-Sex Distribution of Confirmed Cases (WK9 – WK 30)

- Cost of health system strengthening due to the pandemic
- Cost of testing, treatment and isolation
- Opportunity costs of diverting resources from other health needs
- Direct and indirect costs to the patient (morbidity and mortality costs)
- Attendant implications of loss of income, livelihood and possible poverty

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## COVID 19 Statistics in Nigeria and Africa Regions, 21 July 2020

<table>
<thead>
<tr>
<th>Region</th>
<th>Death</th>
<th>Recovered</th>
<th>Active</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Region</td>
<td>69,354</td>
<td>38,355</td>
<td></td>
</tr>
<tr>
<td>Southern Region</td>
<td>199,872</td>
<td>182,682</td>
<td></td>
</tr>
<tr>
<td>Northern Region</td>
<td>65,279</td>
<td>67,093</td>
<td></td>
</tr>
<tr>
<td>Eastern Region</td>
<td>30,814</td>
<td>24,814</td>
<td></td>
</tr>
<tr>
<td>Central Region</td>
<td>26,579</td>
<td>16,028</td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td>15,333</td>
<td>21,091</td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>391,898</td>
<td>328,972</td>
<td></td>
</tr>
</tbody>
</table>

- **Death**
- **Recovered**
- **Active**
Response to COVID 19 across countries had been similar...

- Setting up of Pandemic Task forces
- Lockdown of cities and settlements
- Closure of Schools, Markets and Businesses
- Travel Bans and Social distancing
- Personal hygiene and Community Hygiene
- Testing, Isolation and Quarantines
- Search for drugs and vaccine
- *All these come with attendant risks and uncertainty*
Effects on Generational Economy

- Human capital (Health and education) Status
- Income
- Job/unemployment and loss of productivity
- Consumption/welfare/poverty
- Firm closures and staff leaves

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Methods and Data

• Data was obtained from Nigeria COVID-19 National Longitudinal Phone Survey (COVID-19 NLPS) collected by the National Bureau of Statistics.
• COVID-19 NLPS households were drawn from the sample of households interviewed in 2018/2019 for Wave 4 of the General Household Survey—Panel (GHS-Panel).
• Nationally representative sample of 1,950 households.
• The survey was conducted between April 20 and May 11, 2020 and coincided with a federally mandated lockdown that was initiated on March 30, 2020.
• As much as allowed by the data, the analysis was done by the different age categories of the population.
Effects of COVID 19 on Generational Economy: Health

Proportion of individuals who are unable to access medical treatment

- 0-14
- 15 - 34
- 35 - 54
- 55 - 64
- 65 and above

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Effects of COVID 19 on Generational Economy: Health

Reasons Why Respondents could not Access Healthcare during the Pandemic

- **LACK OF MONEY**
- **MOVEMENT RESTRICTIONS**
- **OTHERS**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>LACK OF MONEY</th>
<th>MOVEMENT RESTRICTIONS</th>
<th>OTHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>65.2</td>
<td>19.0</td>
<td>3.8</td>
</tr>
<tr>
<td>15 - 34</td>
<td>58.5</td>
<td>25.1</td>
<td>16.4</td>
</tr>
<tr>
<td>35 - 54</td>
<td>61.3</td>
<td>21.3</td>
<td>17.4</td>
</tr>
<tr>
<td>55 - 64</td>
<td>63.2</td>
<td>10.5</td>
<td>26.3</td>
</tr>
<tr>
<td>65 and above</td>
<td>54.4</td>
<td>26.5</td>
<td>21.1</td>
</tr>
</tbody>
</table>

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Effects of COVID 19 on Generational Economy: Education

Percentage of Children who engaged in any educational activity by Age

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Effects of COVID 19 on Generational Economy: Education

Types of learning activities children engaged in during COVID, March - May, 2020

<table>
<thead>
<tr>
<th></th>
<th>ALL</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile learning apps</td>
<td>10.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Private lesson teacher</td>
<td>20.00</td>
<td>20.00</td>
<td>20.00</td>
</tr>
<tr>
<td>TV programme</td>
<td>30.00</td>
<td>30.00</td>
<td>30.00</td>
</tr>
<tr>
<td>School assignment</td>
<td>40.00</td>
<td>40.00</td>
<td>40.00</td>
</tr>
<tr>
<td>Radio Programmes</td>
<td>50.00</td>
<td>50.00</td>
<td>50.00</td>
</tr>
<tr>
<td>Parent/Sibling</td>
<td>60.00</td>
<td>60.00</td>
<td>60.00</td>
</tr>
<tr>
<td>Self reading/studying</td>
<td>70.00</td>
<td>70.00</td>
<td>70.00</td>
</tr>
</tbody>
</table>

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Effects of COVID 19 on Generational Economy: Education

Mode of engagement with Teachers

- Email
- Online (web based)
- Facebook
- WhatsApp
- SMS
- Teacher visit house
- Telephone (audio)

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Effects of COVID 19 on Generational Economy: Employment

Proportions of vulnerable jobs in ECOWAS countries in 2017 (%)

Source: ECA, 2019, West African economic and social profile 2019

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Effects of COVID-19 on Generational Economy: Employment

Proportion of Individuals who were not able to work between mid-March and May 2020

- 0-14: 44.83%
- 15-34: 44.51%
- 35-54: 44.57%
- 55-64: 50.00%
- 65 and above: 57.14%

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Effects of COVID 19 on Generational Economy: Income

Proportion of Individuals whose Income reduced between Mid March and May 2020

- Male 35-54: 79%
- Female 15-34: 79%
- Male 15-34: 79%
- Male 55-64: 79%
- Female 35-54: 79%
- Female 65 and above: 77%
- Male 65 and above: 75%
- Female 55-64: 74%

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Effects of COVID-19 on Generational Economy: Shocks

Proportion who experienced shocks during COVID, March - April 2020

- Job loss
- Ill/death of breadwinner

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Effects of COVID 19 on Generational Economy: Safety Nets and Coping Strategies

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Coping Strategy by Individuals against Shocks during COVID, March - April 2020

- Relied on savings
- Reduced food consumption
- Reduced non-food consumption
- Engaged in additional income generating activities
- Borrowed from friends & family
- Received assistance from friends & family
- Credited purchases
- Sale of assets (ag and no-ag)
- Sold harvest in advance
- Delayed payment obligations
- Received assistance from government
- Took advanced payment from employer
- Took a loan from a financial institution

Job loss vs. Illness/death of breadwinner

Percent

-5.0  5.0  15.0  25.0  35.0  45.0
## Effects of COVID 19 on Generational Economy: Safety Nets and Coping Strategies

### Transfer Assistance Received by Individuals during COVID by Source

<table>
<thead>
<tr>
<th>Source of Food Assistance</th>
<th>Fed Govt</th>
<th>State Govt</th>
<th>Local-Govt</th>
<th>Community/Cooperative</th>
<th>NGO</th>
<th>Intl_Org</th>
<th>Religions_Bodies</th>
<th>Others</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0-14</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food transfers</td>
<td>7.3</td>
<td>33.8</td>
<td>14.0</td>
<td>8.7</td>
<td>4.0</td>
<td>0.0</td>
<td>20.5</td>
<td>11.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Direct Cash Transfers</td>
<td>19.5</td>
<td>31.9</td>
<td>4.4</td>
<td>6.2</td>
<td>5.3</td>
<td>9.7</td>
<td>10.6</td>
<td>12.4</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>15 - 34</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Food transfers</td>
<td>10.5</td>
<td>30.9</td>
<td>10.2</td>
<td>7.6</td>
<td>4.3</td>
<td>0.0</td>
<td>25.7</td>
<td>10.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Direct Cash Transfers</td>
<td>29.9</td>
<td>26.0</td>
<td>1.3</td>
<td>2.6</td>
<td>14.3</td>
<td>6.5</td>
<td>11.7</td>
<td>7.8</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>35- 54</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>6.4</td>
<td>31.8</td>
<td>10.9</td>
<td>7.9</td>
<td>3.4</td>
<td>0.0</td>
<td>29.2</td>
<td>10.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Direct Cash Transfers</td>
<td>27.3</td>
<td>27.3</td>
<td>9.1</td>
<td>9.1</td>
<td>6.1</td>
<td>3.0</td>
<td>15.2</td>
<td>3.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>55 - 64</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food transfers</td>
<td>6.7</td>
<td>31.1</td>
<td>8.9</td>
<td>6.7</td>
<td>4.4</td>
<td>0.0</td>
<td>26.7</td>
<td>15.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Direct Cash Transfers</td>
<td>11.1</td>
<td>33.3</td>
<td>22.2</td>
<td>11.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>22.2</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>65 and above</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>Food transfers</td>
<td>6.3</td>
<td>34.0</td>
<td>7.6</td>
<td>8.3</td>
<td>4.9</td>
<td>0.0</td>
<td>27.1</td>
<td>11.8</td>
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<tr>
<td>Direct Cash Transfers</td>
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<td>42.9</td>
<td>4.8</td>
<td>4.8</td>
<td>9.5</td>
<td>4.8</td>
<td>9.5</td>
<td>23.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>

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Effects of COVID 19 on Generational Economy: Safety Nets and Coping Strategies

Proportion of Transfer received by Individuals as Safety net during the COVID 19 pandemic

- **Others**: 40% Food, 60% Other transfer
- **Religious Bodies**: 40% Food, 60% Direct cash transfer
- **Intl_Org**: 100% Food
- **NGO**: 20% Food, 80% Direct cash transfer
- **Community_Org_Cooperative**: 40% Food, 60% Other transfer
- **Local-Govt**: 60% Food, 40% Other transfer
- **State_Govt**: 60% Food, 40% Other transfer
- **Federal_Govt**: 60% Food, 40% Other transfer

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Conclusion

• This post COVID era is the time of understanding how connected everyone and every generation is
• A strong sense of ownership among people at the grassroots level, who are often the ones left the furthest behind,
• A strong sense of responsibility among every economic actors and governments at all levels.
• The interconnectedness calls for a multisectoral and multidisciplinary mind-set approach to issues.
• The Digital revolution is here and massive investment and production activities will drive economies of nations
Moving Forward…

• **Build and strengthen the capability of the population**
  – Strengthen human capital of the people
  – Strengthen the human capital of businesses to operate efficiently and boost productivity
  – Human capital is often strengthen through education and health investments

• **Develop Economic and Social Resilience**
  – Build resilience into the economic fabric
  – Enhance social resilience
  – Create and harness the demographic window of opportunity or demographic dividend
Thank you