

## Effects of Covid-19 Pandemic Lockdown on Small and Medium Scale Enterprises (SMEs) in Anyigba, Dekina Local Government Area of Kogi State, Nigeria

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### Abstract

What came up in late 2019 as a health issue, later affected the economic and social sector due to the lockdown related measure imposed to reduce its spread. It is on this foundation that this study attempt to examine the effect of covid-19 pandemic lockdown on small and medium scale enterprises (SMEs) in Anyigba, Dekina Local Government Area of Kogi State. The objectives of the study identified the various types of small and medium scale enterprises, examined the financing system of the enterprises, assessed the significance of SMEs to rural areas and identified the challenges facing the growth and coping strategies of the SMEs during and after covid-19 Pandemic. 400 copies of questionnaire were administered across the study area and 388 copies were retrieved back. The study used both descriptive and inferential statistic research methods, the descriptive statistic involved the use of tables, frequencies and percentages, while inferential statistic involved the use of chi-square. The results from the study showed that 61.3% of respondent strongly agreed that the lockdown negatively affected and reduced the small and medium scale enterprises because some of them had to close down, while some had to cut down production and staff strength. Majority of the respondents showed displeasure at the response of government in providing help for them to cope with the lockdown. The lockdown also affected consumption level; brought about food insecurity, decreased in standard of living, education and some lost their jobs. The study therefore recommends that local, state and federal government should give adequate attention to small and medium scale enterprises to ease the hardship faced by people as a result of the pandemic even after the pandemic.

**Keywords:** Pandemic, Covid-19, Enterprises, Strategies, Lockdown.

### Introduction

Small and Medium Scale Enterprises (SMEs) are small businesses which employ few numbers of workers and does not have high volume scale. SMEs are the backbone of economic growth in many countries of the world, it has been the pivot on which rural development is hinged. The government growth and economic reform policies can only be successful if the citizens are empowered. In line with this, there has been high concentration of large, medium and small scale industries in the urban areas of the country because of availability of markets for their products, infrastructures and social amenities. SMEs contribute to national development by positively influencing the distribution of income and

wealth, economic self-reliance, entrepreneurial development and generating employment opportunities (Olufemi, 2020). It enhances capacity building as they serve as entrepreneurial training avenues, they create more employment opportunities per unit of investment because of their labour intensive operations, they achieve a much more relatively high value added operations because they are propelled by basic economic activities that depend mostly on locally sourced raw materials, they provide feeder industry services as they serve as major suppliers of intermediate goods and components to large-scale industries as well as major agents for the distribution of final products of such industries, they also provide opportunities for the development of local skills and technology acquisition through adaptation.

The coronavirus outbreak began in Wuhan, Hubei Province, China. The virus was named "SARS-CoV-2" and the disease it caused was named "coronavirus disease 2019" (Covid-19). The first patient of covid-19 started experiencing symptoms in Wuhan, China on 1 December 2019, then, several reported cases around the world (Ozili, 2020). African countries were not immune from the COVID-19 pandemic and its varying implications resulting into a number of confirmed covid-19 cases in Africa and even deaths (NCDC, 2020).

The coronavirus came into Nigeria (Lagos) on the 17th of March, 2020 and spread to other areas in the country, (NCDC, 2020). As a result, policy actions were taken by government to implement social distancing, stay at home measure, closure of institutions and public facilities and eventually restrictions on mobility and finally lockdown of the entire country. To curb the spread of this pandemic, government quickly responded and adopted measures to close all schools, ban all form of public gatherings, invested in healthcare facilities, traced contacts, provide new forms of social welfare and the intervention to contain the spread of the virus by augmenting health systems and managing the economic consequences of these actions (Hale, et al., 2020).

### **Statement of Problem**

Nigerians were affected by the COVID-19 pandemic and its lockdown, however, the impact of the pandemic and its consequences were felt differently depending on the status of individuals as members of the society. More specifically, the impact of the pandemic were unequally felt across households with differential access to income, assets, employment, health care, and social protection, as well as along gender lines. The government responded to the crisis by providing financial assistance to businesses and a small number of households that were affected by the coronavirus (COVID-19) outbreak Ozili (2020). The monetary authority adopted accommodative monetary policies and offered a targeted 3.5 trillion loan support to some sectors (IMF, 2020). These efforts should have prevented the economic crisis from occurring but it didn't. Economic agents could not freely engage in economic activities for fear of contracting the Covid-19 disease that was spreading very fast at the time hence, Small and Medium Scale Enterprises (SMEs) in the study area were left out from the benefits, hence the reason for this study.

## **Aim and Objectives**

To arrive at the effects of the pandemic lockdown on SMEs in the study area, the following objectives were set: - To identify the types of Small and Medium Scale enterprises (SMEs) in the study area, examine the funding method/ strategies for SMEs in the study area, to examine the significance of SMEs to rural development, identify the challenges faced by the SMEs and to identify the coping strategies adopted by SMEs to survive the pandemic in the study area.

## **Conceptual Framework**

1. Concept of man environmental interaction
2. Concept of COVID-19
3. Concept of Pandemic
4. Concept of COVID-19 lockdown
5. Concept of Covid-19 social distancing

## **Concept of Man Environmental Interaction**

Man environmental interactions can be defined as interactions between the human social system and (the "rest" of) the ecosystem. Human social systems and ecosystems are complex adaptive systems, because they have feedback structures that promote survival in a constantly changing environment. (Marten2001). Humans need to interact with the environment to obtain food, water, fuel, medicines, building materials and many other things. Advances in science and technology have helped to exploit the environment for a benefit, but have also introduced pollution and caused environmental damage. The impact of environmental problems on humans is significant, affecting all human activities, including health and socio-economic development.

## **Concept of COVID-19**

Coronavirus disease 2019 (COVID-19) is the illness caused by a novel coronavirus called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2; formerly called 2019-nCoV), which was first identified amid an outbreak of respiratory illness cases in Wuhan City, Hubei Province, China. It was initially reported to the World Health Organization (WHO) on December 31, 2019. On January 30, 2020, WHO declared the COVID-19 outbreak a global health emergency and on March 11, 2020 it was declared a global pandemic.

## **Concept of Pandemic**

The word "Pandemic" originates from a Greek word "pan" meaning "all" and demos "the people" the word is commonly taken to refer to a widespread epidemic of contagious disease throughout the whole of a country or one or more continents at the same time (Honigsbaum, 2009). Pandemics are for the most part disease outbreaks that become widespread as a result of the spread of human to human infection. There have been many significant disease outbreaks and pandemics recorded in history, including Spanish Flu,

Hong Kong Flu, SARS, H7N9, Ebola, Zika (WHO, 2011b) (Rewar, Mirdha, & Rewar, 2015, Maurice, 2016). The key features of a pandemic, includes wide geographic extension, disease movement, novelty, severity, high attack rates and explosiveness, minimal population immunity, infectiousness and contagiousness. The Pandemic related crises have been associated with enormous negative impacts on health, economy, society and security of national and global communities. As well, they have caused significant political and social disruption.

### **Concept of COVID-19 Lockdown**

Lockdown in the context of COVID-19 was first implemented in Wuhan on January 23rd, 2020, and then extended to the whole of Hubei province, helping to bring the epidemic in China under control quite rapidly (WHO, 2020b). Since then, a lockdown has been deemed necessary to prevent the spread of the pandemic. Where this lockdown was early in the importation cycle through the closure of air travels, the disease was also quickly brought under control, with very few death recorded, an example being New Zealand. In other to curb the spread of the pandemic, government have quickly responded and adopted measure to close all schools, ban all form of public gathering, invest in healthcare facilities, trace contacts, provide new forms of social welfare and the intervention to contain the spread of the virus by augmenting health system and managing the economic consequences of these actions (Hale, et al, 2020)

China was the first country to enforce lockdown, in the Hubei region where COVID-19 was discovered. According to WHO (2020) the first lockdown implemented during COVID-19 as a preventive measure was in Wuhan in January 2020.

### **Concept of Covid-19 Social Distancing**

Social distancing involved keeping a distance of 1.5 m between people, which can prevent the spread of most respiratory infectious diseases. Social distancing is one of the most effective measures to reduce the spread of the virus, which is transmitted by air droplets. The droplets produced by coughing, sneezing or forced speaking have a certain transmission diseases. By keeping this distance, the spread can be reduced. Wearing masks, washing hands frequently and disinfecting with alcohol also helped to prevent the virus from spreading from one person to another.

### **Literature Review**

Covid-19 pandemic has a far-reaching economic impact on the world economy generally, Demertzis, et al (2020), pointed out the volatility of the global economic scene as it was then as witnessed in 2008 during the global financial crisis. Widespread fear welcomed the pandemic along with reduction in social-activities. Lockdowns were imposed in different countries, in order to restrict social activities and movements (Evans, 2020).

In a study by Enemona, Usio, and Muhammed (2020) which examined how COVID-19 affected Small and Medium Scale Enterprises (SMEs) in Lokoja, Kogi State of Nigeria using

samples comprising 100 respondents of both small and medium scale business owners. Data was collected through a structured questionnaire and was analyzed using descriptive statistics. The findings showed that business owners in Lokoja were aware of Covid-19 and its mode of spread and revealed that income of SMEs reduced, prices of materials inputs increased and some workers in SMEs were laid-off. Equally, the demand for the products of SMEs declined due to restrictions in movement. Balarabe (2020) also assessed the socioeconomic impact of coronavirus on the Nigerian households in Kano state Nigeria, who engaged in agriculture, private sector, public service and trade/craft. Data was sourced from 404 households using a stratified sampling technique and was analyzed using a descriptive method. 96% respondents opined to be unhappy with the ban on social gathering, 66% showed sadness about restriction on intra/interstate movement and more than half (51%) of them said to have experienced domestic violence during the lockdown. It was also found that about 99% of respondents were not comfortable with the stay at home order. 95% of them were identified to be financially incapable during the lockdown period and about 96% said they did not get income support from their employers (especially the private sector workers). Similarly, 92% of the respondents did not get palliative support and 97% of them said covid-19 negatively affected their business/economic activities.

### **The Study Area**

Anyigba lies between Latitudes 7°15'N-7°29'N of the equator and Longitudes 7°11'E – 7°32'E of the Greenwich meridian. With an average altitude of 385 meters above sea level and total land mass area of 420 Sq.km. Anyigba is a nerve center of political and Socio-economic activities of Igala Nation and the town is bounded by Ologba to the North, Agbeji to the South, Egume to the East and Ajiolo to the West (Figure 1) with an estimated population of 421,350 in the year 2021, (Abike and Olusegun, 2015, Ifatimehin and Ufuah (2006a).

The drainage of the area, Anyigba does not contain a well-developed valley formation which contributes to the absence of many rivers in the area. Few rivers that are found in the area are ogane-aji river in the northern part of the town and Abu-uja Lake at ojofu covering an area of about 400m square (Abike and Olusegun, 2015).

The main economic activities of Anyigba People are farming, trading, some involve in forest base industry, the forest based includes, carpentry and joinery, furniture making while some are civil servant. One other function of Anyigba is the service sector which includes; civil service, public service, financial institutions, wholesale and retail trading, and the informal private sector (transports, auto mechanic, Masons, electricians etc.). Anyigba region is part of the Idah/Ankpa Plateau undulating gently and covered by soil with little exposed bedrock (Abike and Olusegun, 2015). The area falls within the tropical hinterland characterized partly by double and single maximum rainfall pattern with about four months of dry season. Rainy season occur between April through October and the peak is September. Rainfall in Anyigba is seasonal which means, it is not all the year round. Extreme variations in total Rainfall for July and August are also general characteristics of rainfall

here. Heavy rains of conventional type falls here and this sometimes amount up to about 978.5mm, but may be more.

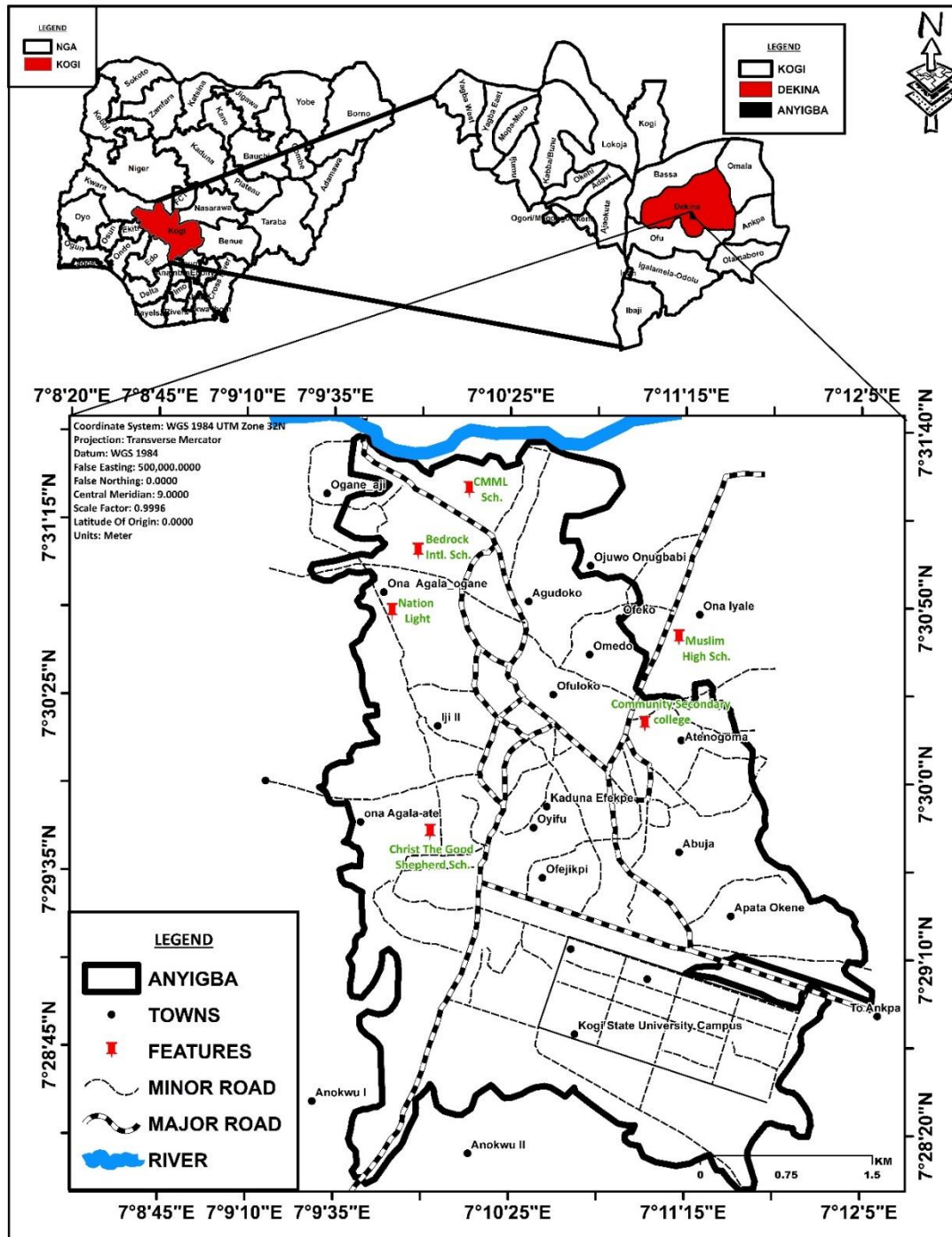


**Figure 1:** Nigeria, Kogi State, Dekina LGA and Anyigba

**Source:** Department of Geography and Environmental Studies, Prince Abubakar Audu University, Anyigba, (2022)

Anyigba falls into the lowland area and specifically, located within the southern guinea savanna zone. The soil type is sandy loamy in nature. Although species common to the northern guinea savanna also occur here but is not as much as that of the northern guinea savannah mostly because of mans' impact. The distribution of tress, grass, etc., is determined by factors such as; fire, demographic pressure, patterns of cultivation, clearing and relief.

Trees found here do adapt to dry conditions (deciduous) and they shed their leaves in the dry season to control evapotranspiration. Malima, Oil bean tree, Mango, Locust bean tree, Cashew trees, Shea butter tree and Isoberlina (Ifatimehin and Ufuah, 2006b).

## Materials and Methods

Primary data were collected with the aid of a structured questionnaire made up of essential structured questions which were of two different sections, section (A) contains questions about the personal data of respondents which were information on socio-economic characteristics such as age, gender, marital status, educational qualification, occupation and section (B) contains questions sought to achieve information on the various types of SMEs, financing methods, accessing the significance of the enterprises to rural development, identify the challenges faced by these enterprises as a result of covid-19 pandemic lockdown and their coping strategies in the study area.

A multistage sampling technique was adopted, the first was to purposively select the areas that gave the required information, second stage was to administer questionnaire to owners of SMEs of diverse interests with the sole aim of sorting information from varieties of small and medium scale enterprises in a population of about 421,350. 400 copies of questionnaire were administered across the study area, descriptive and inferential statistics were used in the analysis of data generated from the field. The descriptive statistics employed in the work include frequency, charts and frequency distribution table, the Chi-square statistics was also employed as the inferential statistics. Hypothesis was tested to ascertain if there is a significant relationship between Covid-19 lockdown and Small and Medium Scale Enterprises (SMEs) in Anyigba, the study area.

## Results and Discussion

**Table 1:** The Socio-economic activities in the study area

| Variable               | Category            | Frequency  | Percent      |
|------------------------|---------------------|------------|--------------|
| Sex                    | Male                | 248        | 63.9         |
|                        | Female              | 140        | 36.1         |
|                        | <b>Total</b>        | <b>388</b> | <b>100.0</b> |
| Age                    | 18-25               | 34         | 8.8          |
|                        | 26-30               | 71         | 18.3         |
|                        | 31-40               | 109        | 28.1         |
|                        | 41-50               | 117        | 30.2         |
|                        | 51 and above        | 57         | 14.6         |
|                        | <b>Total</b>        | <b>388</b> | <b>100.0</b> |
|                        |                     |            |              |
| Marital status         | Married             | 259        | 66.8         |
|                        | Single              | 109        | 28.1         |
|                        | Divorced            | 11         | 2.8          |
|                        | Window /Windowed    | 9          | 2.3          |
|                        | <b>Total</b>        | <b>388</b> | <b>100.0</b> |
| Religion               | Christianity        | 204        | 52.6         |
|                        | Muslim              | 178        | 45.9         |
|                        | Others              | 6          | 1.5          |
|                        | <b>Total</b>        | <b>388</b> | <b>100.0</b> |
| Educational background | Primary             | 44         | 11.3         |
|                        | Secondary           | 135        | 34.8         |
|                        | Tertiary            | 73         | 18.8         |
|                        | No formal education | 136        | 35.1         |
|                        |                     |            | <b>100.0</b> |

Source: Field Work, 2022

Table 1 shows that, 63.9% of the respondents were males, 36.1% were females. The implication of this finding is that the number of men sampled for this study were more than the females, 8.8% were within the age grade of 18-25, 18.3% within 26-30 years, 28.1% were within the age of 31-40 years, while 30.2% were within the age of 41-50 years and 14% were within the age of 50 and above. The table also showed 66.8% of respondents to be married, while 28.1% were single, 2.8% respondents were divorced and 2.3% were window/widower. The implication of this finding is that, more married people are in the SMEs than the singles. The table revealed that, 52.6% of the respondents are Christians, 45.9% of the respondents are Muslims, while 1.6% belong to other religions. The implication is that the researcher met more of Christians in the process of this study. The table also revealed that 11.3% of the respondents had primary education, 34.8% had ordinary level, 18.8% had tertiary education and 35.1% do not have formal education. The implication is that most of the respondents went into business rather than education.

**Table 2: Types, Size and Distribution SMEs in the study area**

| TYPES                                  | SIZE         | Distribution | % of Distribution |
|----------------------------------------|--------------|--------------|-------------------|
| Catering services (indoor and outdoor) | Medium       | 32           | 8.2               |
| Computer training Centre               | Medium       | 15           | 3.8               |
| Mobile Phones Sales and Repairs        | Small        | 22           | 5.7               |
| Cement sales and Distribution          | Medium       | 16           | 4.1               |
| Pure and Bottled water production      | Medium       | 25           | 6.4               |
| Poultry Farming                        | Medium/Small | 30           | 7.7               |
| Cooking Gas Sales                      | Medium/Small | 15           | 3.8               |
| Rental Services                        | Small        | 12           | 3.0               |
| Transportation Services                | Medium       | 45           | 12.0              |
| Scrap metal sales                      | Small        | 10           | 2.6               |
| Recharge Card Printing and Sales       | Medium       | 15           | 3.6               |
| Sport View Centers                     | Small        | 10           | 2.8               |
| Hairdressing Salon                     | Small        | 18           | 5.0               |
| Barbing Salon                          | Small        | 22           | 5.7               |
| Sport Betting Agencies                 | Small        | 10           | 2.6               |
| Car wash                               | Small        | 18           | 4.6               |
| Gari Processing Industry               | Small        | 15           | 3.6               |
| Tailoring Shops                        | Medium/Small | 42           | 10.7              |
| Red Oil Processing                     | Small        | 16           | 4.1               |
| Total                                  |              | 388          | 100               |

**Source: Field Survey 2022**

Table 2 shows the various types of Small and Medium Scale Enterprises in the study area, the SMEs were viewed by the researcher and classified on the basis of size to either be small or medium. This was done on the basis of the fact that some of them are large in size and have certain number of employees, while some others are considered to be small because they do not have employees. A head count was also done to ascertain the distribution, where a total of 388 SMEs points were identified and the percentage of distribution was taken. 80% of the SMEs are small enterprises while about 20% are medium in nature. Ownership is either sole or partnership as about 90% are solely owned and 10% are partnership which is one of the reason why funding is difficult for the SMEs. The research discovered that, 73% of the owners of SMEs raised their finance through personal savings, friends and relatives while 26% seek help from financial institutions which is in line with the work of Terungwa, (2011) in Abdulkadir, (2020), which opined that some businesses live on trade credit as the owners of these businesses purchase goods and services on deferred

payment. Huyghebaert, (2006) in Abdulkadir (2020) also asserted that trade credit is an alternative way of financing business needs.

The research also discovered that SMEs aid rural development as 70% of the respondents agreed that SMEs reduces unemployment which is key to development, 20% said SMEs generates a significant percentage of domestic taxes which is used to develop both the rural and the urban areas while 10% said SMEs are very important because they supply goods and services to the general population. This corroborates the work of Abdulkadir, (2020), which emphasized that, SMEs represent the largest proportion of the productive population and by extension provide the fuel that keeps the economy running towards technological, economic, political and social development.

The Likert scale was used to examine the challenges faced SMEs during Covid-19 Lock-down. The mean of each of the variable was determined and subjected to test using lerket scale with the variables of Strongly Agreed (SA), Agreed (A), Strongly Disagreed (SD) and Disagreed (D). The mean of the variables was determined and then subjected to the scale which gave the decision of either to reject or accept as given by the scale which is between 1-2.60 for rejection, meaning the problem actually existed and 2.60-5.0 for accepted which indicates not true. The result shows that majority of the respondents agreed that School closure was a challenge during the Covid-19 lockdown with a mean score of 1.4 which is less than 2.60 on the lerket scale hence, rejected. The finding showed that majority of the respondent strongly agreed that the lockdown related measure stopped access to education which is one of the major indicators of socio-economic status of an individual. This in line with the findings of Xavier and Sheila (2020) which affirmed that schools in many countries around the world closed due to the COVID-19 pandemic lockdown.

**Table 3: Challenges Faced By SMEs during Covid-19 Lockdown**

| Variable                                 | SA             | A              | D             | SD           | MEAN | DECISION |
|------------------------------------------|----------------|----------------|---------------|--------------|------|----------|
| School closure                           | 238<br>(61.3%) | 118<br>(30.4%) | 24<br>(6.2%)  | 8<br>(2.1%)  | 1.4  | Rejected |
| Restriction of inter-state movement      | 231<br>(59.5%) | 138<br>(35.6%) | 16<br>(4.1%)  | 3<br>(.8%)   | 1.6  | Rejected |
| Daily increases in prices of commodities | 201<br>(51.8%) | 122<br>(31.4%) | 50<br>(12.9%) | 15<br>(3.9%) | 1.4  | Rejected |
| Non availability of some essential goods | 275<br>(70.9%) | 91<br>(23.5%)  | 18<br>(4.8%)  | 4<br>(1.0%)  | 1.7  | Rejected |
| Nonpayment of salaries                   | 232<br>(59.8%) | 123<br>(31.7%) | 24<br>(6.2%)  | 9<br>(2.3%)  | 1.5  | Rejected |

|                                   |                |                |              |              |     |          |
|-----------------------------------|----------------|----------------|--------------|--------------|-----|----------|
| Non availability of raw materials | 280<br>(72.2%) | 96<br>(24.9%)  | 9<br>(2.3%)  | 3<br>(.8%)   | 1.3 | Rejected |
| Insecurity                        | 196<br>(50.5)  | 145<br>(37.4%) | 29<br>(7.5%) | 18<br>(4.6%) | 1.7 | Rejected |

**SA:** Strongly Agreed. **A:** Agreed. **D:** Disagreed. **SD:** Strongly Disagreed. **Lerkert Scale:** 1.00—2.60 (**Rejected**) 2.61—5.00 (**Accepted**). **Source:** Author's Construct, 2022.

It also corroborates the findings of Innocent (2020) who stated that covid-19 pandemic has posed huge challenge to education system. The mean score for restriction of inter-state movement is 1.6 which is still lower than the accepted value, meaning that the respondents were not satisfied with the lock down. The finding show that majority of the respondent affirm that the restriction of interstate movement affected the socio-economic activities in the study area; transportation connectivity play a major role in trade, tourism, and movement of goods, integration and competitiveness in the market. This in line with the findings of Otaru (2020) where it was asserted that halted economic activities will force organizations into bankruptcy, which will invariably manifest in layoffs. The SMEs are not strong enough to withstand such measures of economy lockdown as some of them eventually closed down.

Daily increases in prices of commodities during the period was another major problem which gave a lerkert mean score of 1.7 (Rejected). Non availability of some essential goods also has a mean score of 1.5, also rejected. The COVID-19 lockdown caused disruption in food supply chain. The finding showed that majority of the respondent strongly agreed that covid-19 lockdown affected the exportation and importation of foods in the study area. This is in agreement with the findings of Innocent (2020) who affirm that demand and supply chains of agricultural products and foods internally and externally were affected as a result of the measures adopted to contain the spread of the disease, farmers found it difficult to obtain seedlings, fertilizers, pesticides and farm implements.

The non-payment of salaries has a mean score of 1.5 which is also below the average mean and rejected, respondents said they were financially incapacitated to meet up with their wants, this in line with the findings of Balarabe (2020), who state that people were identified to be financially incapable during the lockdown period and about 96% said they did not get income support from their employers (especially the private sector workers), which led to food insecurity due to reduction in household income. The finding show that majority of the respondents strongly agreed that, the lockdown led to food insecurity which brings about high increased in price of the available one, for the purpose of measure impose on inter-state movement. This in line with the finding of Innocent 2020 that Covid-19 lockdown affected the production and marketing of agricultural products which in essence affected SMEs, no doubt, the pandemic has worsened the food insecurity situation in the country, which was a major challenge also as it drove fear into people as being vulnerable to contacting the virus at the slightest exposure. Other types of insecurities which is in line

with the findings of Udeh and Amadi, (2020) where they concluded that the pandemic has contributed to the already existing food insecurity thereby causing household to reduce food consumption amidst the lockdown. The non-availability of raw materials during the lockdown was also a major challenge to the respondents which is also below the mean score of 2.61. Raw materials were not available, which affected SMEs greatly.

**Table 4. Coping strategies adopted during COVID-19 lockdown in the study area.**

| Variables                                                                             | Category           | Frequency  | Percentage    |
|---------------------------------------------------------------------------------------|--------------------|------------|---------------|
| Collected loan on low interest rate                                                   | Strongly agreed    | 156        | (40.2%)       |
|                                                                                       | Agreed             | 130        | (33.5%)       |
|                                                                                       | Disagreed          | 77         | (19.8%)       |
|                                                                                       | Strongly disagreed | 25         | (6.4%)        |
|                                                                                       | <b>Total</b>       | <b>388</b> | <b>(100%)</b> |
| Sourced for local raw materials                                                       | Strongly agreed    | 274        | (70.6%)       |
|                                                                                       | Agreed             | 113        | (29.1%)       |
|                                                                                       | Disagreed          | 21         | (5.4%)        |
|                                                                                       | Strongly disagreed | 16         | (4.1%)        |
|                                                                                       | <b>Total</b>       | <b>388</b> | <b>(100%)</b> |
| Reduced level of expenditure                                                          | Strongly agreed    | 238        | (61.3%)       |
|                                                                                       | Agreed             | 78         | (20.1%)       |
|                                                                                       | Disagreed          | 34         | (8.8%)        |
|                                                                                       | Strongly disagreed | 2          | (.5%)         |
|                                                                                       | <b>Total</b>       | <b>266</b> | <b>(100%)</b> |
| Draw on skills you have used in the past that have help you in managing previous life | Strongly agreed    | 196        | (50.5%)       |
|                                                                                       | Agreed             | 123        | (31.7%)       |
|                                                                                       | Disagreed          | 57         | (14.7%)       |
|                                                                                       | Strongly disagreed | 12         | (3.1%)        |
|                                                                                       | <b>Total</b>       | <b>388</b> | <b>(100%)</b> |
| Grant from the government                                                             | Strongly agreed    | 76         | (19.6%)       |
|                                                                                       | Agreed             | 74         | (19.1%)       |
|                                                                                       | Disagreed          | 133        | (34.5%)       |
|                                                                                       | Strongly disagreed | 103        | (27.1%)       |
|                                                                                       | <b>Total</b>       | <b>388</b> | <b>(100%)</b> |

Source: fieldwork 2022

Table 4 shows the coping strategies adopted by the people in the study area, collection of loan on low interest rate was one of the measures adopted to cope with the lockdown in the study area, 73.7% agreed that they collected loan on low interest rate to cope with the lockdown in other to survive the pandemic and meet up with their needs. 99.1% agreed that they sourced for local raw materials as some of them produced goods and carry out services under closed doors. 81.4% agreed that they reduce level of their expenditure during the lockdown.

The research also discovered that some respondents drew on the skills they used in the past that have helped them in managing previous life, Over 90% agreed that they draw on their previous skill during the covid-19 lockdown, this shows that most of the respondent went back and picked on their previous skill as a means to survive the lockdown. Grant from the government was one of the coping strategies adopted during the covid-19 lockdown in the study, but very few SMEs owners 38.7% were able to access the grants. The research discovered that government did not really provide support for SMEs owners during the lockdown.

#### **Table 5: Test of Hypothesis**

**H<sub>0</sub>:** There is no significant relationship between Covid-19 lockdown and Small and Medium Scale Enterprises (SMEs) in Anyigba.

Hypothesis was tested and the rule is that; if the calculated value of  $X^2$  is greater than the P-value, accept the H<sub>i</sub>: (Alternate hypothesis) and reject the H<sub>0</sub>: (Null hypothesis). The computed value of  $X^2$  is equal to 24.764 which is greater than the p-value at 0.05 level of significance. Therefore, we reject H<sub>0</sub>, which says "There is no significant relationship between Covid-19 lockdown and Small and Medium Scale Enterprises (SMEs) in the study area. "The alternate hypothesis is accepted which states that "There is significant relationship between Covid-19 lockdown and Small and Medium Scale Enterprises (SMEs) in Anyigba the study area. This is in line with the statement made by International Monetary Fund, that the effects of covid-19 will make Nigeria economy to contract by 3.4 percent in the year 2020 and 2.4 percent in 2021 (IMF, 2020).

Findings from the hypothesis tested revealed that there is a significant relationship between Covid-19 lockdown and Small and Medium Scale Enterprises (SMEs) in the study area, the lockdown affected the enterprises negatively and they did not benefit from the palliatives rolled out by the government.

**Table 5 Covid-19 lockdown led to general reduction of the production activities of SMEs \* decrease in standard of living \* non availability of raw materials and insecurity in the study area cross tabulation**

|                                                                             |                   |          | Reduction in production by SMEs in the study area |       |          |                   |       |
|-----------------------------------------------------------------------------|-------------------|----------|---------------------------------------------------|-------|----------|-------------------|-------|
|                                                                             |                   |          | Strongly Agree                                    | Agree | Disagree | Strongly Disagree | Total |
| Covid-19 lockdown led to general reduction in production activities by SMEs | Strongly Agree    | Count    | 180                                               | 53    | 5        | 5                 | 238   |
|                                                                             |                   | Expected | 171.8                                             | 58.9  | 5.5      | 5                 | 238.0 |
|                                                                             | Agree             | Count    | 77                                                | 37    |          | 5                 | 118   |
|                                                                             |                   | Expected | 85.2                                              | 29.2  | 2.7      | 5                 | 118.0 |
|                                                                             | Disagree          | Count    | 17                                                | 5     |          | 5                 | 24    |
|                                                                             |                   | Expected | 17.3                                              | 5.9   | .6       | 5                 | 24.0  |
|                                                                             | Strongly Disagree | Count    | 6                                                 |       | 5        | 5                 | 8     |
|                                                                             |                   | Expected | 5.8                                               | 2.0   | .2       | 5                 | 8.0   |
|                                                                             | Total             | Count    | 280                                               | 96    | 9        | 5                 | 388   |
|                                                                             |                   | Expected | 280.0                                             | 96.0  | 9.0      | 5                 | 388.0 |

#### Chi-Square Tests

|                              | Value  | Df | Asymp. Sig. (2-sided) |
|------------------------------|--------|----|-----------------------|
| Pearson Chi-Square           | 24.764 | 9  | .003                  |
| Likelihood Ratio             | 14.342 | 9  | .111                  |
| Linear-by-Linear Association | 5.276  | 1  | .022                  |
| N of Valid Cases             | 388    |    |                       |

a. 8 cells (50.0%) have expected count less than 5. The minimum expected count is .06.

#### Conclusion

This study examined the effects of covid-19 pandemic lockdown on small and medium scale enterprises (SMEs) in Anyigba, Dekina LGA of Kogi State. It identified the types of Small and Medium Scale enterprises (SMEs), examined their funding method/ strategies, their significance to rural development, identified the challenges SMEs faced during the COVID-19 pandemic lockdown and also identified the coping strategies adopted by theme to survive the pandemic. Findings revealed that the SMEs suffered both socially and economically from the pandemic. The pandemic negatively impacted on the income,

health, education, social, employment and employment opportunities because of the negative impact on the SMEs.

## Recommendations

Based on the findings of the study, it is recommended that:

- Government should provide effective emergency funding programs such as zero-interest loans, grants, and tax reduction or tax holidays to cushion the effects caused by the pandemic.
- \*Government should also provide adequate governmental bodies to be in charge when giving out support to people.
- \*Trust Worthy individuals should be used to disburse loans to the affected people.
- \*SMEs could improve on its performance by participating on online-based platforms to advertise and sell their products.

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