

SMEs AS DRIVERS OF ECONOMIC RECOVERY AND SUSTAINABILITY DURING COVID-19 AND BEYOND IN NIGERIA

¹AYILA NGUTSAV AND ²VICTOR USHAHEMBA IJIRSHAR

^{1,2}Department of Economics, Benue State University, Makurdi-Nigeria,

¹ngutsavayila@gmail.com (08065716118) ²ijirsharvictor@gmail.com (+2348134705084)

ABSTRACT

This study examined SMEs as drivers of economic recovery and sustainability in Nigeria during the COVID-19 pandemic and beyond. The study utilized primary data from a sample size of 387 SME owners across 13 states and FCT Abuja in Nigeria. The survey was carried out using online questionnaires through “Google Forms”. Descriptive statistics and paired t-test were used for data analysis. The findings showed that COVID-19 pandemic has drastically affected the level of employment and returns of SMEs in Nigeria negatively. Considering SMEs as critical engines of economic growth due to their potentials in creating jobs, boosting economic output, generating income, and reducing poverty, the study recommends that the Nigerian government should engage with the SMEs early, seek to better understand their challenges and how they might best mitigate the challenges that COVID-19 has caused. Some of the approaches are the granting of soft loans with a temporary moratorium of the loan or assisting the SMEs with grants, granting of SMEs payroll support programme, granting of relief programmes such as loan holiday packages for SMEs as measures mitigating against the effects caused by the COVID19 global pandemic. The study also recommends deliberate efforts towards improving innovativeness and managerial capabilities in SMEs that is focused on less finance and more innovation-based routes while creating support institutions to provide information on regulations, standards, taxation, customs duties, and marketing issues.

Keywords: Corona Virus Disease (COVID 19), Economic Recovery, Small and Medium Scale Enterprises (SMEs), and Sustainability

JEL Classification: I15, M21, Q01

1. Introduction

Small and Medium Scale Enterprises (SMEs) have remained the engine of growth for economic development, innovation, and wealth creation among developing countries and Nigeria is not an exception. They are seen as the key elements that drive the economy. In Nigeria, SMEs are the starting point of development towards industrialization. Specifically, SMEs contribute to employment growth, forms the backbone of a market economy, influences the monopoly of the large enterprises and offers them complimentary services and absorb the fluctuation of a modern economy, and creates a skilled industrial base and industries and a develops a well-prepared service sector capable of contributing to GDP through higher value-addition.

However, the coronavirus pandemic has caused large-scale loss of life and severe human suffering globally. It has constituted the largest public health crisis in living memory which has also generated a major economic crisis with a halt in production in affected countries, collapse in consumption and confidence, and stock exchanges responding negatively to heightened uncertainties. To United Nations Development Programme-UNDP (2020), it is not just a health crisis but a social, economic, and political crisis that has disrupted billions of lives and endangered the global economy.

According to Organisation for Economic Co-operation and Development-OECD (2020), there is an increasingly negative impact of the pandemic on global GDP growth while the liquidity position and business survival of SMEs and entrepreneurs have become extremely worrisome. More so, the economic forecasts also depict an increasingly negative outlook in terms of the scale of the global economic recession triggered by the pandemic. Several other international organizations have also issued forecasts on the aspects of the economic impact of the coronavirus pandemic. Among them are the IMF June 2020 Economic Outlook Update that projected a decline in global GDP by 4.9 percent in 2020, and the growth at 5.4 percent in 2021 (International Labour Organization-IMF, 2020), the forecasted decline in global foreign investment by the June 2020 World Investment Report of about 40% in 2020 (United Nations Conference on Trade and Development-UNCTAD, 2020), the estimated rise in global unemployment of between 5.3 million and 24.7 million by ILO signaling that sustaining business operations will be particularly difficult for Small and Medium Enterprises (SMEs) (International Labour Organization-ILO, 2020), and the World Trade Organization (WTO) reported of a decline in the volume of global merchandise trade in Q1 2020 by 3% year-on-year, and the expected decline in Q2 of 18.5% leading to a drop of 32% in 2020 (WTO, 2020). According to McKinsey (2020) a pandemic is causing untold human suffering across Africa and is likely to leave an indelible impact on the continent's small and medium-sized enterprises (SMEs).

The pandemic has affected the economy in several ways especially the supply and demand sides of SMEs. In terms of supply-side, companies experience a reduction in the supply of labour, as workers are unwell or need to look after children or other dependents while schools are closed and movements of people are restricted as measures to contain the disease instrumented by lockdowns and quarantines. This has a probability of affecting the capacity utilization. On the aspect of demand-side, there is a likelihood of a dramatic and sudden loss of demand and revenue for SMEs that severely affects their ability to function, and/or severe liquidity shortages. More worrisome is the consumers' loss of income, fear of contagion, and heightened uncertainty which in turn reduces spending and consumption. The effects are further compounded since workers are laid off and firms are not able to pay salaries. Therefore, there are various effects of COVID-19 on both larger and smaller firms. There are more severe effects of COVID-19 on SMEs because of higher levels of vulnerability and lower resilience related to their size (OECD, 2020).

This study, therefore, assesses the SMEs as the drivers of economic recovery and sustainability during the COVID-19 pandemic and even beyond. The rest of this paper is organized as follows: section two presents literature review while section three presents methodology. Section four covers results and discussion of findings while section five offers conclusion and policy recommendations.

2. Literature Review

The study reviews the role of small and medium scale enterprises to economic growth and previous empirical studies related to the subject matter.

2.1 The Role of Small and Medium Scale enterprises to economic growth

Small and medium enterprises have been considered as the engine of economic growth and for promoting equitable development and the major advantage of the sector is its employment potential at low capital cost (Aremu & Adeyemi, 2011). To the study, the SME sector also formed the vanguard of the modern enterprise sector and presents the propelling force of economic modernization and growth in Nigeria. The presence of SMEs in all sectors of the economy would signify their critical role in steering economic growth and development. The general belief is that SMEs result in employment generation (Awosika, 1997; Schmitz, 1995). Gunu (2004) also posited that Small Scale Enterprises provide income, savings, and employment generation. Therefore, SMEs are considered as a veritable tool for economic growth and development of capabilities and technology which will generate employment in the country (Aremu & Adeyemi, 2011). To Myslimi and Kaçani (2016), SMEs create new jobs, expand the tax base, contribute to innovation, enhance competition, and increase aggregate productivity.

Due to the recognition of SMEs as a substantial contributor to the economy, strategies and initiatives to enhance SMEs' growth and development are featured prominently in most of the economic development plans of the Nigerian government overtime to nurture further growth in the sector. A clear path for accelerating the growth and development of SMEs has been identified through the establishment of agencies such as DFRRI, NDE, NAPEP, among others. Although, the challenges before these attempts are daunting (Ogwuma, 1995). According to Hassan, Aku and Aboki (2017), many policies and programmes were established to support the sustainability of small and medium enterprises. Despite that, SMEs still suffered many challenges such as cost structure and financing, political environment, and government policies. To Aremu and Adeyemi (2011), there are many ways in which industrialization discriminated against SMEs, viz: the regulated trade that favoured large firms to obtain import licenses, official exchange rates for imports, and tariff rebates more easily than small firms; the selective or discriminated financial sector interventions against SMEs; the problems of dealing with government regulations and tax authorities that are weighted more heavily on smaller firms; and the underdeveloped physical and social infrastructures in Nigeria that creates a binding constraint to SMEs growth. The recent economic turbulence that has also added to the sector's problems is the current COVID-19 pandemic. Consequently, the effects of the COVID-19 pandemic have lavage the Nigerian economy and the SME sector in particular. Hence, there is a need to assess the effects of COVID-19 on the survival of SMEs and possibly suggest strategies for the sustainability of the SMEs during the pandemic and beyond.

2.2 Empirical Review on the Impact of COVI 19 on SMEs

SMEs are seen as a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more predominantly carried on in any sector or subsector (Kalidas, Magwentshu & Rajagopaul, 2020). SMEs have less resilience and flexibility in dealing with costs in the presence of

shocks or pandemic due to the small scale of production. Considering the scarce resources available to SMEs and existing challenges or obstacles in accessing required capital (Wang, 2016), the survival of SMEs is more restricted than for larger firms (OECD, 2020). Evidence on the effects of the COVID-19 pandemic on SMEs shows severe disruptions and concerns among small businesses.

The magnitude of the effect of COVID-19 on SME was confirmed by Bartik, Bertrand, Cullen, Glaeser, Luca, and Stanton (2020) who examined the impact of Coronavirus Disease 2019 (COVID-19) on small businesses. The study conducted a survey of more than 5,800 small businesses between March 28 and April 4, 2020, and found that there are mass layoffs and closures of small businesses a few weeks into the crisis. The study also found that the risk of closure was negatively associated with the expected length of the crisis. Thus, coupled with the fragile nature of many small businesses financially, the majority of businesses planned to seek funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The study, however, found that many anticipated problems with accessing the program, such as bureaucratic hassles and difficulties establishing eligibility.

Shafi, Liu, and Ren (2020) also assessed the effect of Coronavirus Disease (COVID-19) on the global and Pakistani economy. The study identified micro, small, and medium-sized enterprises (MSMEs) as the major economic units that have suffered from the COVID-19 outbreak. The study collected data from 184 Pakistani MSMEs by administering an online question and the results were analyzed through descriptive statistics. The study found that most of the participating enterprises have been severely affected and are facing several other issues such as supply chain disruption, finance, reduction in sales and profit due to a decrease in demand, among others.

Humphries, Neilson, and Ulyssea (2020) also reported comparable impacts of the pandemic on small businesses. The study collected survey data from more than 8,000 small business owners in the United States and found that by the time the CARES Act was passed, surveyed small business owners were already severely impacted by COVID-19-related disruptions and that the business owners' expectations about the future are negative and have deteriorated over time. The study also found that the smallest businesses had the least awareness of government assistance programs, the slowest growth in awareness after the passage of the CARES Act, and never caught up with larger businesses and that small businesses may have missed out on initial packages such as paycheck protection program funds due to low level of awareness and access to information relative to larger firms. This implies that the majority of micro and small firms report that the crisis strongly affected their business operations and some the risk of shutting down. To McKinsey (2020)b, one implication is that businesses in many sectors will have to adjust to greater government intervention due to the pandemic.

Imanche, Zea, Tougema and Dalibi (2020) also examined the effect of COVID-19 pandemic on small and medium scale businesses in Nigeria. The study found that the cessation of movement, the reduction in consumer spending power, and decrease in imports is negatively affecting Nigerian SMEs. Dai, Feng, Hu, Jin, Li, Wang, Wang, Xu and Zhang (2020) also examined both the short-term and mid-term impact of COVID-19 restrictions on Small And Medium-Sized Enterprises (SMEs) based on two waves of phone interviews with a previously surveyed large SME sample in China. The findings revealed that the outbreak

of COVID-19 and resultant lockdowns cast a heavy toll on SMEs in terms of logistics blocks, labor shortages, and drops in demand while many firms, particularly export firms, ran at partial capacity, primarily due to inadequate demand. To Musa and Aifuwa (2020), the negative effect of the invisible enemy is ravaging the entire world populace leading to global economic crisis and the negative impact of the coronavirus COVID-19 pandemic has threatened the growth of SMEs in Nigeria. Thus, their survival is being threatened and the government is not helping. They suggested that SMEs can triumph in this turbulent time following the laid down health advice. These studies have not addressed the effect of COVID-19 pandemic on the survival of SMEs in terms workforce, expenditure and returns or profit and have failed to suggest the sustainability of these SMEs during the COVID-19 period and beyond in Nigeria. Hence, the novelty of this study.

3. Methodology

3.1 Method of Data Collection

A survey design was used for the study because of the nature of research work which demands the collection of a significant amount of data from a meaningful population in an efficient manner. A sample size of 387 was utilized from were collected from 13 countries and Federal Capital Territory (FCT) in Nigeria. The States include FCT, Benue, Rivers, Taraba, Ebonyi, Cross River, Osun, Akwa-Ibom, Ogun, Zamfara, Kano, Kogi, Lagos and Bauchi. The survey took two weeks from 4th September 2020 to 17th September 2020. Although, only 387 SMEs answered the online questionnaires, the study expected more responses from SMEs in Nigeria which forms part of the challenge in this study. However, the wide coverage across many states in Nigeria has subverted the challenge. The research assistants were selected from each of the six geo-political zones in Nigeria, viz: North-East, North West, North-Central, South-East, South-West and South-South. The study is also a good representation as it covers at least each state from the six geo-political zones in the country. The research adopted random sampling technique as any SME owner who had access to the survey or instrument had equal chances of been considered. The simple random sampling technique was used to avoid bias and to ensure that the views of SME owners have an equal chance of being selected. Primary data were used for the study and were collected with the use of an internet-based (online) structured questionnaire.

The internet-based (online) questionnaires were used as instruments for the study. The instrument had open-ended and closed-ended questions. Five media sites were used. These include Facebook, WhatsApp, E-mail, Research gate, and LinkedIn. The distribution is presented in Table 1.

Table 1: Media Sites used in distributing the Online Questionnaire

Media	Frequency	Percentage
Facebook	135	34.88
WhatsApp	27	6.98
E-mail	175	45.22
Research Gate	33	8.53
LinkedIn	17	4.39
Total	387	100

Source: Extractions from STATA 15 Output

From Table 1, it shows that responses were elicited majorly from E-mail. The selection was based on those SME owners who could read and were able to fill the online questionnaire. Data were collected on demographic characteristics such as age, gender, and location. Data on the number of workers employed by SMEs before and during the COVID-19 periods, the monthly expenditure of the SMEs before and during COVID-19 periods, and average monthly income of the SMEs before and during COVID-19 periods were collected. The data were collected through “Google Forms”. Questionnaires were designed and a link was sent or provided to respondents for filling of the questionnaires and responses were downloaded and extracted for the analysis.

3.2 Methods of Data Analysis

The study also utilized descriptive statistics such as frequencies, percentages, means and standard deviations while Paired t-test was also used for testing of hypotheses and drawing of inferences. The descriptive statistics were used to examine the demographic characteristics of the respondents. The paired t-test was used to examine the mean difference in the number of workers employed by SMEs, average monthly expenditure, and average monthly profit of SMEs before and during the COVID-19 pandemic. The null hypothesis is that the mean difference is equal to zero while the alternative hypothesis is that the mean difference is not equal to zero. The alternative hypothesis is further categorized into three, viz: the mean difference is less than zero ($H_a: \text{mean}(\text{diff}) < 0$), the mean difference is not equal to zero ($H_a: \text{mean}(\text{diff}) \neq 0$), and the mean difference is greater than zero ($H_a: \text{mean}(\text{diff}) > 0$). In rejecting a null hypothesis, at least, two of the alternative hypotheses must be considered. STATA 15 statistical software was utilized in the estimation of the results.

4. Results and Discussion of Findings

4.1 Demographic Characteristics of the Respondents

This study examines the gender and age of the SME owners in the area. The results of gender and age of the SME owners are presented in Table 2 and Table 3 respectively.

Table 2: Gender distribution of the SMEs Owners

Gender	Frequency	Percentage
Female	61	15.76
Male	326	84.24
Total	387	100

Source: Extractions from STATA 15 Output

Table 3: Age distribution of the SMEs Owners

Age	Frequency	Percentage
18 to 30 years	162	41.86
31 to 40 years	151	39.02
41 to 50 years	20	5.17
51 to 60 years	27	6.98
61 to 70 years	17	4.39
Above 70 years	10	2.58
Total	387	100

Source: Extractions from STATA 15 Output

The results show that the majority (84.24%) of the respondents are male while the female category constitutes 15.76% of the respondents. The result further reveals that the majority (90%) of the respondents are within the labour force range while only 10% of the respondents are more than 70 years and are largely dependents as shown in Table 3.

4.2 The Effect of COVID-19 on Survival of SMEs in Nigeria

The study examined the effect of COVID-19 on the survival of SMEs in Nigeria. These include: the effect of COVID-19 pandemic on the staff strength of SMEs before and during the pandemic, the effect of COVID-19 pandemic on the average monthly expenditure of SMEs before and during the pandemic, and the effect of COVID-19 pandemic on the average monthly profit of SMEs before and during the pandemic.

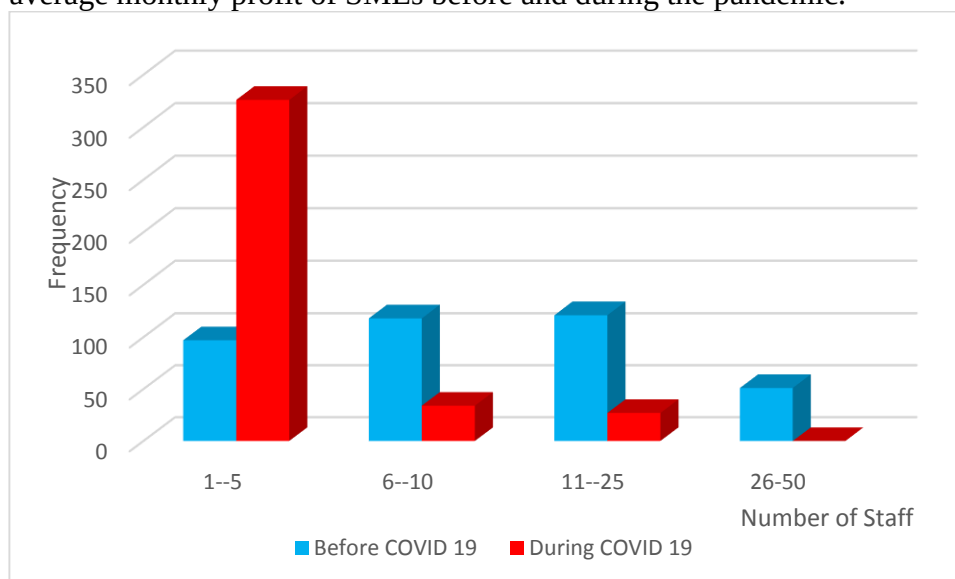


Figure 1: Number of Staff Before and During the COVID-19 pandemic

Source: Authors' Survey, 2020

The result presented in Figure 1 shows that most (30.49%) of the SME owners employed between 11 and 25 workers before the pandemic. However, during the pandemic and as a result of the termination of many workers consequent upon the effect of the pandemic, most (84.24%) of the SME owners only employed at most 5 workers. About 13.18% of the SMEs employed between 26 and 50 workers before the pandemic. But during the pandemic, none of the SMEs could hold up to 26 workers. This indicates that there was a drastic reduction in the level of employment as a result of the COVID-19 pandemic. The study further tested the significant difference in the number of workers employed by SMEs before and during the COVID-19 pandemic using Paired t-test and the results are presented in Table 4.

Table 4: Number of Staff Before and During the COVID-19 pandemic

	Before COVID 19		During COVID 19	
Number of Staff	Frequency	Percentage	Frequency	Percentage
1-5	97	25.06	326	84.24
6-10	118	30.49	34	8.79
11-25	121	31.27	27	6.98
26-50	51	13.18	0	0
Total	387	100	387	100
Means	14.41 $\approx$ 14		4.37 $\approx$ 4	
Mean Difference	10.04			
t-test statistic(Prob.)	18.4903 (0.0000)			

Source: Extractions from STATA 15 Output

Results show the average of 14 workers before the COVID-19 pandemic and 4 workers during the COVID-19 pandemic. The results further show the t-test value of 18.4903. The t-test value of 18.4903 is statistically significant at 5% level of significance ($P=0.0000<0.05$). This means that the null hypothesis of the mean difference equal to zero is rejected. This implies that the mean difference between the number of workers employed by SMEs before and during the COVID-19 pandemic is statistically different from zero. This indicates that there is a significant difference in the means of the number of workers employed by SMEs before and during the COVID-19 pandemic in the area. Since the number of workers employed by SMEs before the COVID-19 pandemic is higher than that of during the pandemic, it implies that the COVID-19 pandemic impacted negatively on employment level in the study area. This is because the reduction in the average number of workers employed by SMEs during the COVID-19 pandemic was affected by the pandemic and it was statistically different from the average number of workers employed by SMEs before the COVID-19 pandemic. Therefore, the study infers that the employment created by SMEs has drastically reduced during the COVID-19 pandemic.

The result presented in Table 5 also shows that the monthly expenditure of SMEs declined during the pandemic unlike before the COVID-19 pandemic.

Table 5: Average Monthly Expenditure Before and During the COVID-19 pandemic

	Before the COVID-19 Pandemic		During the COVID-19 Pandemic	
Monthly Expenditure	Frequency	Percentage	Frequency	Percentage
₦1,000-₦10,000	100	25.84	179	46.25
₦10,001-₦50,000	81	20.93	148	38.24
₦50,001-₦100,000	85	21.96	33	8.53
₦100,001-₦500,000	104	26.87	10	2.58
₦500,001-₦1,000,000	0	0	0	0
₦1,000,001-₦5,000,000	17	4.39	17	4.39
Total	387	100	387	100
Means	₦378,139.5		₦153,210.6	

Mean Difference	₦224,928.9
t-test statistic(Prob.)	5.4411 (0.0000)

Source: Extractions from STATA 15 Output

It is evident from Table 5 that the majority of the SMEs owners spent between ₦100, 001 and ₦500, 000 (26.87%) before the pandemic. However, during the pandemic, most (46.25%) of the SMEs owners spent between ₦1, 000 and ₦10, 000 as monthly expenditure. This drastic reduction in the monthly expenditure is a result of the fact that most of the SMEs terminated their workers and others nearly closed due to the COVID-19 pandemic as presented in Figure 1. The paired t-test statistic result showed an average monthly expenditure of ₦378, 139.50 and ₦153, 210.60 by SME owners before and during the COVID-19 pandemic respectively with the mean difference of ₦224, 928.90. The result also revealed a t-test statistics value of 5.4411 and probability value of 0.0000<0.05. The null hypothesis that the mean difference between the average monthly expenditure before and during the COVID-19 pandemic is zero is rejected at 5% level of significance. This implies that there is a significant drop in the monthly expenditure of SME owners during the pandemic. This may be attributed to the reduction in the workforce of most of the SMEs and the reduction in the operations by most of the SMEs in Nigeria. Hence, there is a probability in the reduction of the welfare package of the employees working under SMEs in Nigeria.

Table 6: Average Monthly Profit Before and During the COVID-19 pandemic

	Before the COVID-19 Pandemic		During the COVID-19 Pandemic	
	Frequency	Percent	Frequency	Percent
₦1,000 and Below	0	0	11	2.84
₦1,001-₦10,000	11	2.84	148	38.24
₦10,001-₦50,000	115	29.72	218	56.33
₦50,001-₦100,000	210	54.26	0	0
₦100,001-₦500,000	51	13.18	10	2.58
Total	387	100	387	100
Means	₦73,341.6		₦19,207.75	
Mean Difference	₦54,133.85			
t-test statistic(Prob.)	21.0772 (0.0000)			

Source: Extractions from STATA 15 Output

The result from Table 6 shows that before the COVID-19 pandemic, majority (54.26%) of the SME owners were making monthly profit between ₦50, 001 and ₦100, 000. However, during the COVID-19 pandemic, the monthly profit dropped with majority (56.33%) of the SME owners spending between ₦10, 001 and ₦50, 000. The Paired t-test statistic result showed an average monthly profit of ₦73, 341.60 and ₦19, 207.75 by SME owners before and during the COVID-19 pandemic respectively with the mean difference of ₦54, 133.85. The result also revealed a t-test statistics value of 21.0772 and probability

value of $0.0000 < 0.05$. The null hypothesis that the mean difference between the average monthly profit before and during the COVID-19 pandemic is zero is rejected at 5% level of significance. This implies that there is a significant drop in the monthly profit of SME owners during the pandemic. This may be attributed to the reduction in the demand and subsequently the reduction in the operations by most of the SMEs in Nigeria. This may be attributed to the dramatic reduction in the demand and sudden loss of revenue for SMEs that severely affects their ability to function. This implies that growing or supporting SMEs during this COVID-19 pandemic would help their recovery and particularly or them to recover the lost percentage of employment in the country and create more opportunities for the teeming youths thereby contributing to the growth of the economy in different ways and opportunities.

4.3 The Survival and Sustainability of SMEs in Nigeria during the COID 19 period and beyond

SMEs provide a lot of job opportunities. The greatest advantage of promoting these small-scale industries and small businesses is that they employ without much government interference resulting in both urban and rural growth. Broadly, SMEs helps an economy in the following ways: generates employment, reduces poverty, reduces urban-rural income gap, curtails migration, encourages regional development, boosts exports, brings down pollution levels, increases production, increases people's purchasing power, and improves the quality of life in general. Other benefits are low investment requirements, easy availability of small business loans, and sometimes even lower expertise. Such businesses can be operated even in villages and small towns, thereby improving people's standard of living in the process. Therefore, SMEs in both developed and developing countries worldwide are improving in terms of capacity due to their strategic importance in accelerating the industrial sector.

Given current circumstances where SMEs are experiencing significant difficulties due to COVID-19 pandemic, the burning question is: how can they survive and accelerate economic growth? The COVID-19 pandemic effects are severe in urban areas. The urban-based sectors of the economy (manufacturing and services) are faced with COVID-19 related effects, leading to substantial losses in productive jobs and returns or income. More so, firms and businesses in African cities are highly vulnerable to COVID-19 related effects, especially SMEs which account for 80% of employment in Africa (UNECA, 2020). These risks are compounded by a likely hike in the cost of living resulting into increase in the prices of food items. The vulnerable Nigerian SME sector has been one of the sectors that have been badly hit by the current economic weakness brought about by the COVID-19 pandemic. Several businesses have been affected by supply chain disruptions and low demand for their products and services due to the weakened consumer purchasing power by the COVID-19 pandemic leading to a substantial loss in revenue of SMEs. SMEs have also faced several constraints most of which have been low levels of technology, non-availability of loan finance, research and development, and inadequate physical infrastructure (OECD, 2020). The survival and sustainability of SMEs in Nigeria during the COID 19 period and beyond depends on government supports. These include financial support or grants, creating more a business-friendly environment, and improving on favourable policies for the growth of

SMEs in Nigeria. It is against this background that this study has drawn the following conclusion and itemized the following policy recommendations.

5. Conclusion and Policy Recommendations

Globally, SMEs are considered to be critical engines of economic growth due to their potential to create jobs, boost economic output, generate income, and reduce poverty. But SMEs in Nigeria have always struggled to play these essential roles given tough challenges in the business environment which are further worsened by the present COVID-19 pandemic. This has negatively affected the growth and survival of SMEs in Nigeria as evident in the reduction in workforce and returns. The study, therefore, recommends the following:

The Nigerian government should engage with the SME sector early, seek to better understand their challenges and how they might best mitigate the challenge of COVID 19 pandemic. Some of the approaches are the granting of soft loans with a temporary moratorium of the loan or assisting the SMEs with grants. Government should also advance short-term bailouts and exemptions for SMEs to limit employment losses and increase productivity, social protection for those in the informal sector while anticipating the potential of labour-intensive public work programs for job creation in the medium term. Thus, given the importance of these SMEs to the country's economic recovery during the pandemic and even beyond, an effective support scheme as highlighted above should be a top priority.

The study also recommends the offer of relief programmes such as loan holiday packages for SMEs as measures against the harsh economic impact caused by the COVID-19 global pandemic.

While financing SMEs has remained the priority of government, there should be deliberate efforts towards improving innovativeness and managerial capabilities in SMEs that is focused on the less financial and more innovation-based route. Thus, the Nigerian government should create an enabling business environment for infant businesses and innovative companies, and help them to solve technical issues and search for know-how and promote innovation.

The Nigerian government should also fully implement the SMEs payroll support programme for at least six months as that would help in sustaining the growth of the SMEs and strengthening the workforce of the enterprises while guaranteeing employment opportunities for the youth in the country. This would also help in reducing the effect of the pandemic of the percentage of the lost jobs in the country. The Nigerian government should also support artisans in form of grants to cushion the effect of COVID-19 pandemic.

The Nigerian government should also create support institutions to provide information on regulations, standards, taxation, customs duties, and marketing issues, and to advice on business planning, marketing and accountancy, quality control, and assurance.

Conflict of Interest

On behalf of all authors, the corresponding author states that there is no conflict of interest.

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