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COVID-19 IMPACT MONITORING

ROUND 3
JULY 2020

NIGERIA

BACKGROUND

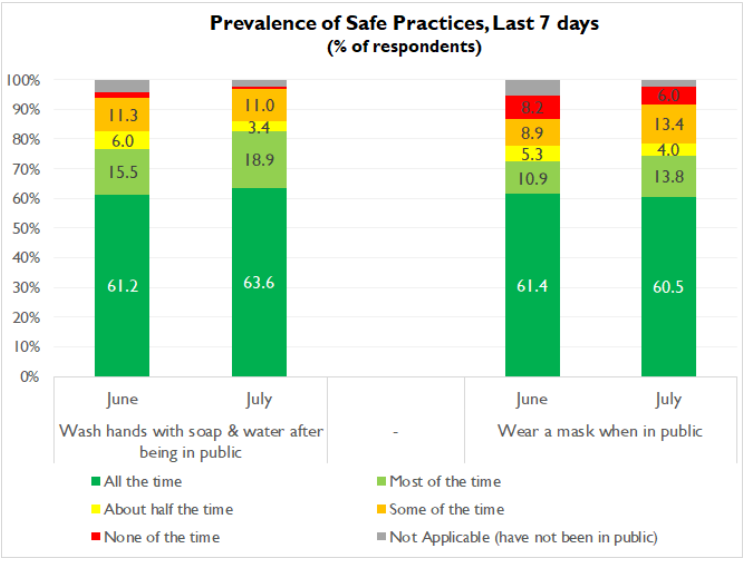
This brief presents the findings of the third round of the Nigeria COVID-19 National Longitudinal Phone Survey, a nationally representative monthly survey of 1,950[1] households that monitors the economic impact of the pandemic and other shocks across Nigeria. Launched by the Nigeria National Bureau of Statistics (NBS) with support from the World Bank in April 2020, the first round (baseline) of the COVID-19 National Longitudinal Phone Survey (COVID-19 NLPS) was conducted in April/May 2020, during which a federally mandated lockdown was in full effect. After some restrictions in movement were lifted, the second round of the survey was conducted between June 2 and June 16, and the third round was conducted between July 2 and July 16.

SUMMARY

- Most Nigerians continue to adopt **safe practices to minimize the risk** of contracting and spreading COVID-19. In July, nearly 83% of respondents reported washing their hands after being in public all or most of the time, while 74% reported wearing a mask all or most of the time.
- The COVID-19 crisis has **limited access to child immunization services** for some households. About 1 in 5 households with children 0-5 years old who needed or were due for immunizations were not able to get their children vaccinated.
- 81% of respondents reported that they were working, close to the pre-pandemic level of 85%. However, **the recovery in urban areas is lagging**, with the share of urban respondents working 11 percentage points lower than prior to the outbreak.
- Although the share of respondents working has recovered, there is some evidence of people moving in and out of work. This suggests that **the new jobs gained may be precarious**, and thus there is likely still instability in the job market.
- The COVID-19 crisis appears to have **limited households' access to farming inputs**. Inorganic fertilizer and pesticide/herbicides seem to be the most impacted: 72% of farming households that needed inorganic fertilizer and 47% of farming households that needed pesticide/herbicides were unable to access them.
- Paying rent – albeit a disproportionately urban phenomenon – is becoming challenging: more than half of renting households report being worried that they will be **unable to make their next rent payment**.
- The share of households receiving remittances, safety nets and/or other forms of assistance from institutions seems to have declined since the beginning of the pandemic. **Very few households receive social assistance** and, in particular, the share of households receiving food assistance decreased from 12% in April/May to 6% in July.

SAFE PRACTICES & HEALTH

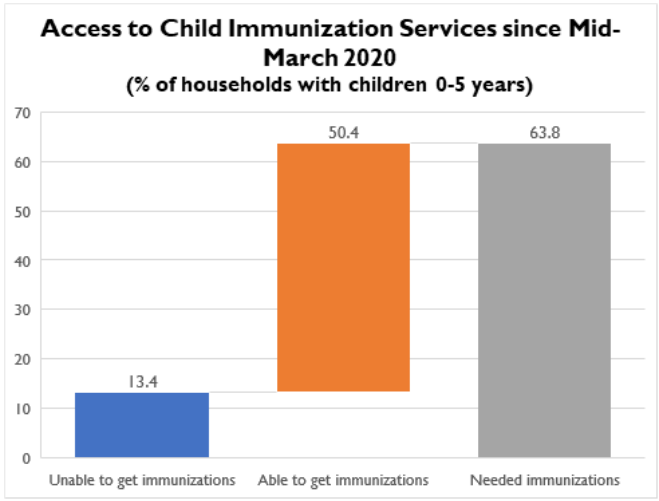
Despite the continued easing of lockdown measures in the country, most Nigerians continue to implement safe practices. In July, nearly 83% of respondents reported washing their hands after being in public all or most of the time, up slightly from 77% that reported doing so in June. The practice of wearing a mask while in public also remains relatively widespread, with 74% of respondents wearing masks all or most of the time, similar to the share reported in June. Each practice is followed by over 60% of respondents all of the time, with over 50% following both practices all of the time.



[1] The sample of 1,950 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). The extensive information collected in the GHS-Panel, just over a year prior to the pandemic, provides rich background information on COVID-19 NLPS households that can be leveraged to assess the differential impacts of the pandemic across Nigeria.

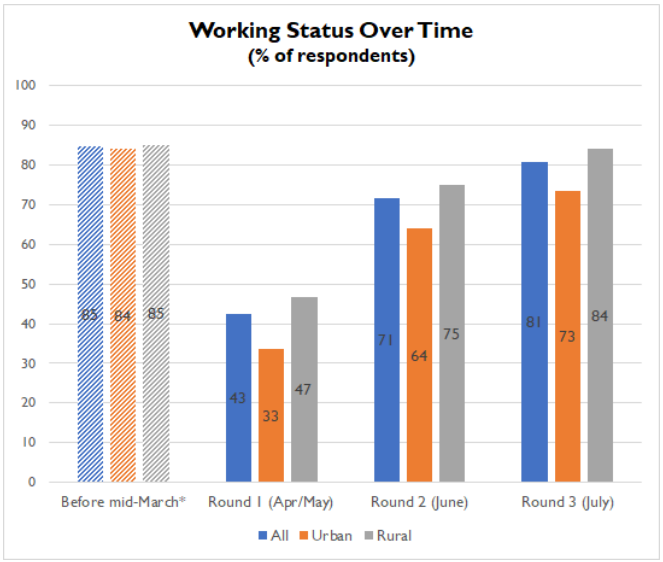
Remote services provided by the Nigeria Centre for Disease Control (NCDC) are reaching the majority of Nigerian households. Around 68% of households reported that someone in the household had received a SMS text message from the NCDC sharing information about the NCDC hotline and their self-assessment tools. Moreover, of those households that received a text message, 89% reported that they would be comfortable using the NCDC's remote services.

The COVID-19 crisis has limited access to child immunization services for some households. Around 64% of households with children aged 0-5 years needed or were due to have their child immunized since the start of the coronavirus crisis in mid-March. However, about 1 in 5 of those households whose children needed immunizations (13% of all households with children aged 0-5 years) were not able to get their children vaccinated. The main constraints these households faced in getting their children vaccinated were a lack of available medical personnel (44% of such households) and movement restrictions imposed by the lockdown measures (24% of such households), indicating a direct link with the COVID-19 crisis. This shortfall in child immunizations could lead to other health risks and longer-term impacts of the COVID-19 crisis.



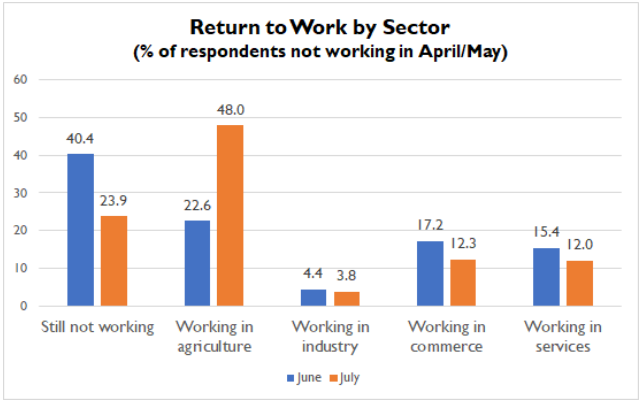
EMPLOYMENT AND LIVELIHOOD

The share of people who are working has continued to rise substantially towards pre-crisis levels. In July 2020, around 81% of respondents reported that they were working, demonstrating that the share of respondents working recovered substantially as the lockdown restrictions were eased in May and June. However, the recovery has differed between urban and rural areas. The share of rural respondents who were working in July has reached the levels witnessed prior to the outbreak, while the share of urban respondents who were working is still 11 percentage points lower than what was reported prior to the outbreak. The initial drop in the share of respondents who were working was larger for urban dwellers, which may partially explain why the recovery has been slower for them.



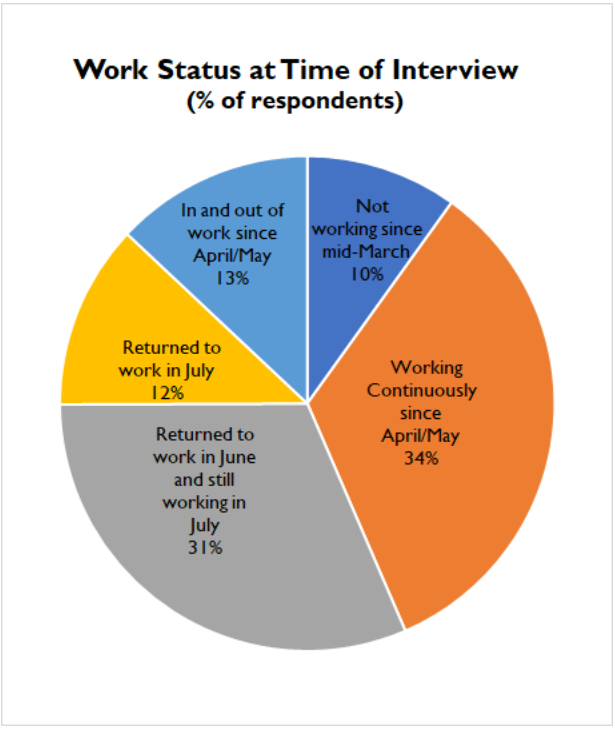
Note: In the figure it is assumed that all those who were working at baseline were also working before mid-March. Thus, the shares of respondents working shown for the before-mid-March period represent upper bounds. Temporary absences were not incorporated.

The agriculture sector experienced the largest recovery in the share of respondents returning to work. Of the 57% of respondents who were not working in April/May, about 76% had returned to work by July, while around 24% were still not working. Building on the trend witnessed in June, many of those who had returned to work by July (48% of those who were not working in April/May) (re-)entered the agricultural sector.[2] Yet, relatively large shares of respondents who were not working in April/May reported working in commerce (12%) and services (12%) in July.[3]



[2] Of those respondents that were working in April/May or before mid-March 2020, 36% were engaged in agriculture, 24% were engaged in commerce, and 27% were engaged in services.

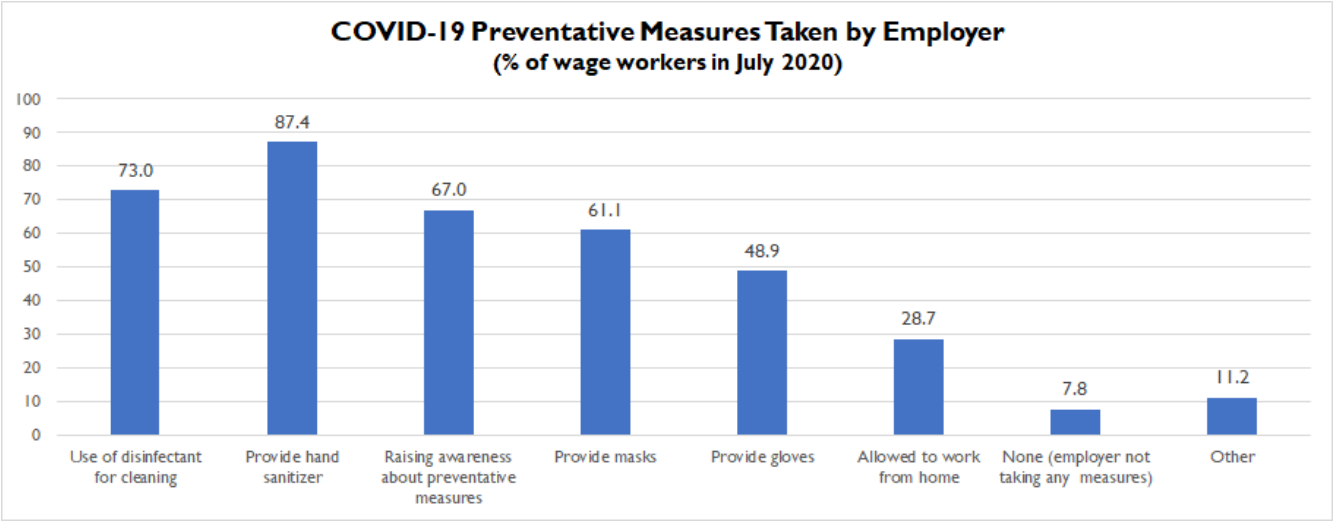
[3] 'Commerce' comprises buying and selling or retail and trade activities. 'Services' comprises transport, driving, post, and travel agencies, professional activities (finance, legal, analysis, computer, and real estate), and personal services (education, health, culture, sport, and domestic work).



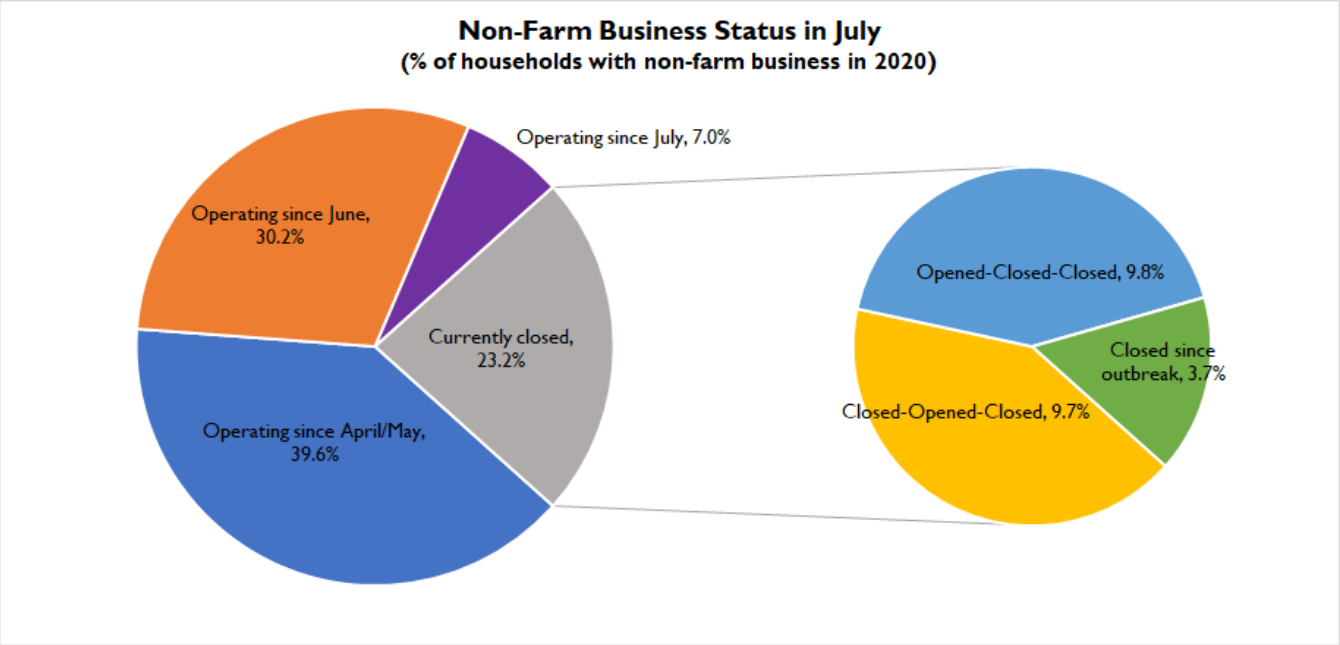
Even though the overall share of respondents who are working has recovered, there is some evidence of people moving in and out of work. Only 34% of respondents have been working continuously since mid-March, while 66% have experienced some period of time out of work. Of those experiencing periods out of work, almost 20% have been moving in and out of work (13% of all respondents), and 15% reported not working at all since mid-March (10% of all respondents). This suggests that the new jobs gained since April/May might be precarious and that there is still instability in the job market.

While wage-employment is not common in Nigeria, even wage workers appear to be facing challenges. Around 12% of working respondents were engaged in wage-employment in July, of which around 62% reported working for a private company and 29% reported working for the government (with the remainder being paid apprentices or interns). When the respondents working in wage jobs were asked to compare the number of hours that they are currently working to the number of hours that they were working before the outbreak, almost half reported working fewer hours, while just 11% reported working more hours. This is another sign that even those that have returned to work are not working at the same levels as prior to the crisis; their working status remains vulnerable.

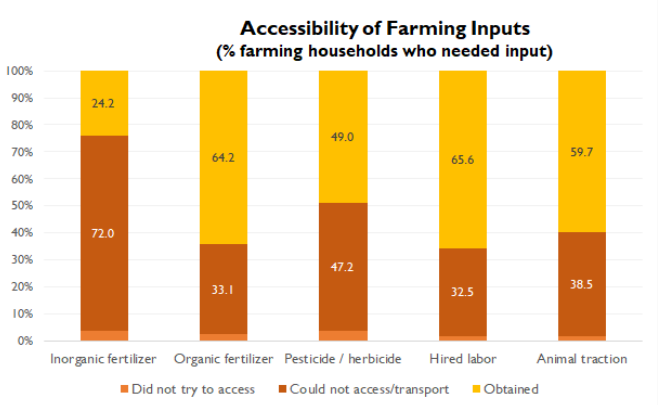
Most employers are taking COVID-19 preventative measures. Almost 90% of wage workers report that their employer is providing hand sanitizer at the place of work, while 70% are using disinfectant for cleaning. Moreover, about 30% of wage workers are still allowed to work from home. However, about 8% report that their employer is not taking any preventative measures.

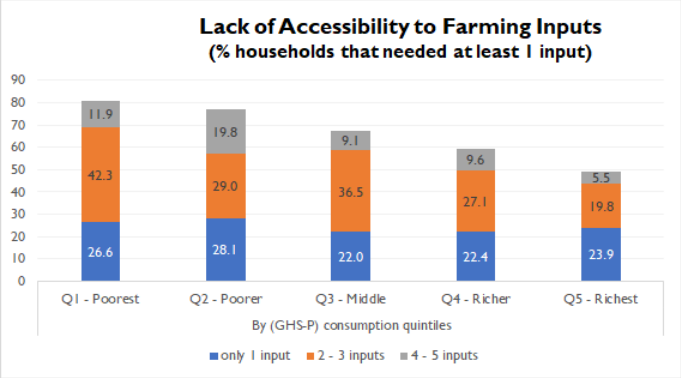


Although many non-farm family businesses have reopened since the start of the crisis, there seem to be fluctuations in their operation. About 40% of households operating a non-farm business since the beginning of 2020 have been operating a non-farm business continuously since April/May, while about 7% started operating only in July. About 23% of households have businesses that are currently closed, and many have businesses that have changed operating status since the beginning of the pandemic. For example, 10% of non-farm business households were operating a business in June but the business was closed (temporarily or permanently) in July, while a further 10% of households were operating non-farm businesses in April/May but have been closed since June. About 4% of households operating a non-farm business before the pandemic have remained closed since the beginning of the pandemic.



Access to inputs for crop production has been limited by the pandemic. Purchased inputs (inorganic fertilizer and pesticide/herbicides) seem to be the most impacted: 72% of farming households that needed inorganic fertilizer and 47% of farming households that needed pesticide/herbicides could not access them. This may mean that farmers are expecting lower yields. Access to hired labor, animal traction, and organic fertilizer were less impacted: around two-thirds of households that needed each of these inputs were able to access them.

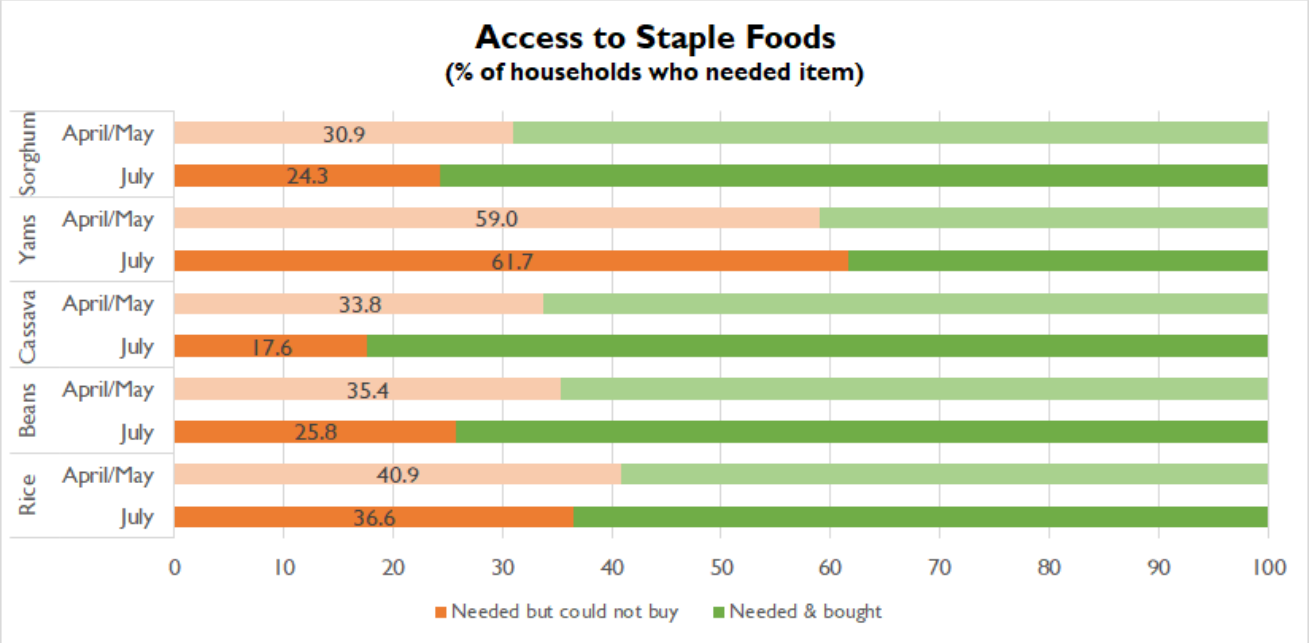




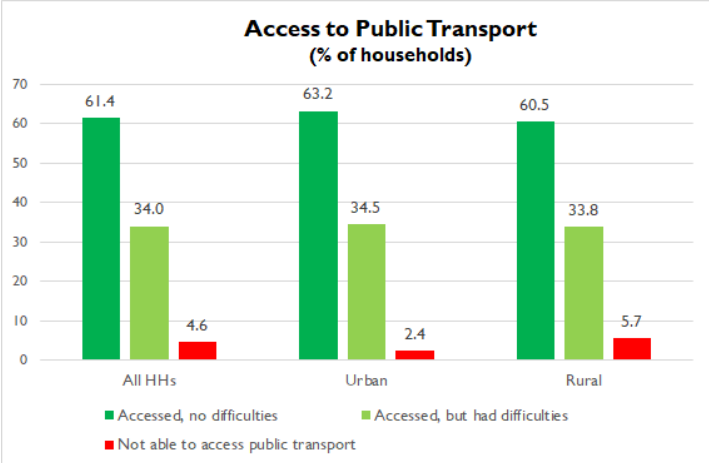
The pandemic's impact on farming input accessibility seems to be more prevalent among poorer farming households. About 81% of the poorest quintile of farming households that sought to use inputs were not able access at least one input, compared to just 49% of farming households in the richest quintile.

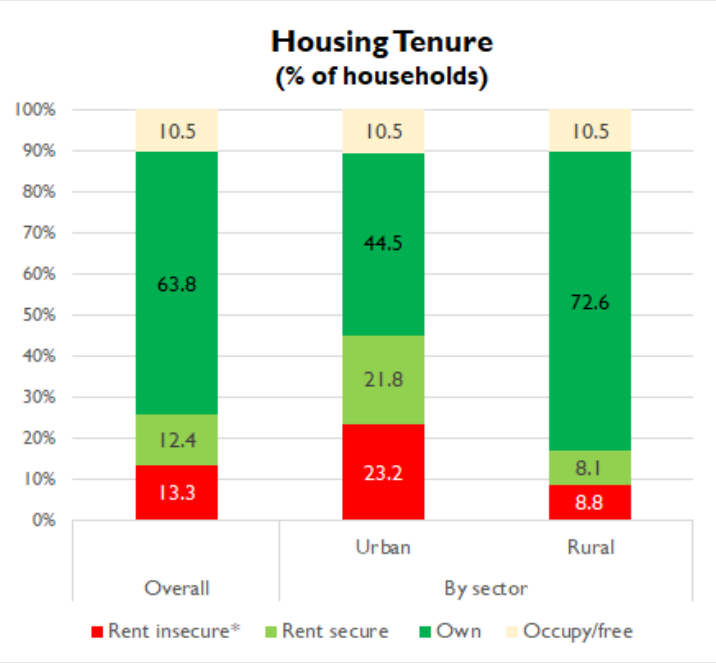
ACCESS TO BASIC NEEDS

Since the easing of lockdown measures, the difficulties faced by Nigerian households in purchasing staple foods has improved, but constraints remain for many households. The share of households who needed but were not able to purchase staple foods decreased between April/May and July for 4 out of the 5 major staple foods. The largest improvement was for cassava, for which the share of households who were not able to purchase it decreased from 34% in April/May to 18% in July. However, the share of households unable to purchase some staple foods remained high in July: 62% of households who needed yams were unable to purchase them, while 37% of households who needed rice were unable to purchase it. Lack of money and an increase in prices were the predominant reasons why households were not able to purchase these staples, indicating the continued economic impacts of the COVID-19 crisis.



Most Nigerian households were able to access public transport, but many still faced difficulties. Around 61% of households accessed public transport within the preceding 7 days, but over half reported facing difficulties with access. The main difficulty these households faced was an increase in prices (75% of those who faced difficulties), in line with the substantial year-over-year increase of 25% in the cost of intracity bus transport recently reported by NBS.[4]



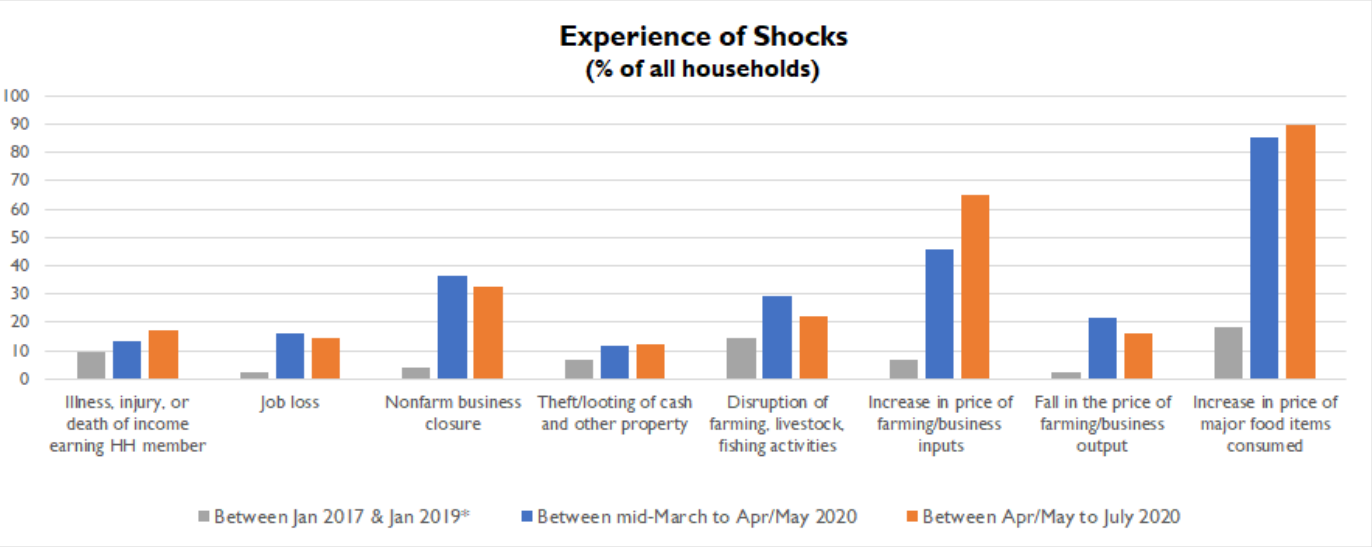


Paying rent – albeit a disproportionately urban phenomenon – is becoming challenging: more than half of renting households report being worried they will be unable to make their next rental payment. In urban areas, 23% of all households are rent insecure (worried about being able to pay their next rental payment) which represents nearly 52% of urban households who rent their dwelling. The insecurity could represent an imminent crisis for many of these households, as 56% of rent insecure households have a rental payment due within the next month. The main cause for rent insecurity is reduced income (85% of rent insecure households), followed by an increase in the price of food and non-food items (58% and 50%, respectively). This suggests that renting households are facing a situation where they must make difficult tradeoffs between paying rent and buying food.

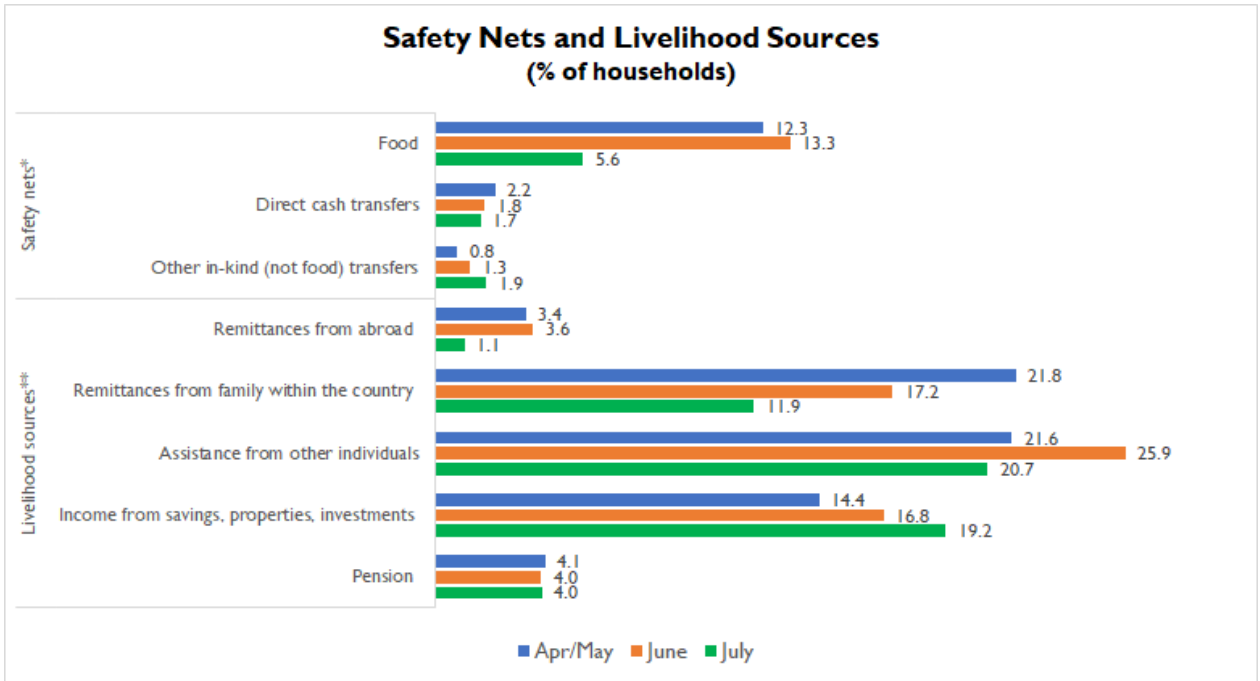
[4] Transport Fare Watch, June 2020. https://www.nigerianstat.gov.ng/download/1131.

ECONOMIC SHOCKS AND SAFETY NETS

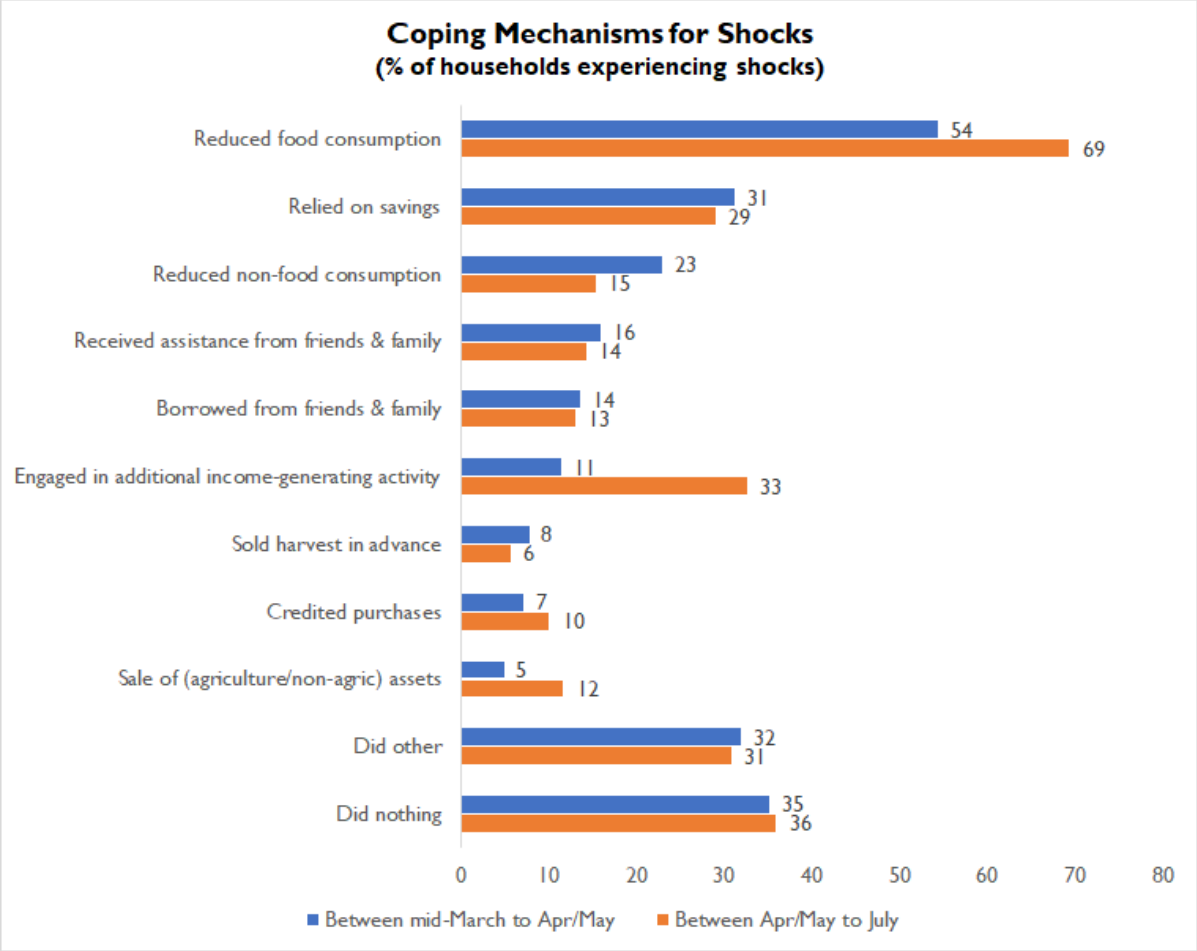
Economic shocks continue to affect Nigerian households, with little improvement since April/ May. The most widely experienced shocks in the country continue to be increases in the prices of both major food items consumed (affecting 90% of households) and farming/business inputs (affecting 64% of households). Distressingly, the share of households experiencing these two shocks has increased since April/May. Households continue to experience job losses, disruption to farming, livestock, and fishing activities, as well as a fall in the price of farming/business outputs, although the share of households reporting these shocks seems to have dropped marginally, compared to April/May.



The share of households receiving remittances, safety nets, and other forms of assistance from institutions seems to have reduced since the beginning of the pandemic, despite a significant number of households remaining vulnerable. The share of households receiving food assistance decreased from 12% in April/May to 6% in July. This could partially be attributed to the suspension of the school feeding program due to the academic break over the summer. Similarly, remittances from both within and outside Nigeria seem to be diminishing, as the percentage of households who received domestic remittances from family members fell from 22% in April/May to 12% in July. This potentially reflects the precariousness of income sources in sending households. There was, however, an increase in the share of households receiving income from properties, investments, and savings.



In the absence of social protection, households who experienced shocks are resorting to a myriad of mechanisms to cope. Many households are resorting to coping mechanisms that can have further longer-term negative impacts, such as reducing food consumption (69% of households who experienced shocks) and drawing down their savings (29% of households who experienced shocks). Indeed, compared to April/May, the share of households reducing their food consumption as a coping mechanism actually increased, potentially signaling that households have exhausted other less severe coping mechanisms. Additionally, about 33% of households who experienced shocks are diversifying their income generation portfolio as a coping mechanism. Additionally, about 33% of households who experienced shocks are diversifying their income generation portfolio as a coping mechanism.



Data Notes: The Nigeria COVID-19 National Longitudinal Phone Survey (COVID-19 NLPS) 2020 Third Round was implemented by the National Bureau of Statistics (NBS) in July 2020. This survey is part of a World Bank global effort to support countries in their data collection efforts to monitor the impacts of COVID-19. World Bank teams from the Development Data Group and the Poverty and Equity Global Practice provided technical support. This survey is the third of a planned 12 rounds of the COVID-19 NLPS of households in Nigeria. 1,950 households from the baseline were contacted and 1,820 households, fully interviewed. These same households will be contacted in subsequent rounds of the COVID-19 NLPS. The data are representative at the national level and survey weights were calculated to adjust for non-response and under coverage.

For further details on the data, visit http://www.worldbank.org/lsms-covid19 **&** https://www.worldbank.org/en/country/nigeria/brief/monitoring-covid-19-impact-on-nigerian-households

For further details on COVID-19 in Nigeria, visit https://nigeria-coronavirus-response-data-hub-nbs-nigeria.hub.arcgis.com/

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