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DEPARTMENT: ECONOMICS

MATRIC NUMBER: 19/SMS01/012

COURSE CODE: GST122

The Causes of Economic Hardship in Nigeria and Possible Solutions to them

Do you know that economic hardship has led to increase in suicide rate in Nigeria? A member of a family living in Akwa Ibom State killed himself recently. His body was found hanging from a rope tied to the ceiling of his bedroom. Relatives and friends of the victim believed that it is the poor economic situation in the country that drove him to suicide. Nigerians are losing their jobs, as both individuals and firms face undaunted challenges due to the rising effects of the COVID-19 pandemic currently damaging the economy. However, before COVID-19, Nigerians have been facing adverse economic hardships. Out of the 1,950 households surveyed on a nationally representative sample, 42% of the respondents who were working before the outbreak were no longer working the week preceding the interview for reasons related to COVID-19. In looking at a problem; the root has to be examined. Economic hardship has a lot of causes and it has been harmful to Nigerian economy. The possible solutions to these problems must be examined to achieve a growing economy.

Economic hardship; the inability to meet reasonable basic living expenses is caused by many factors. One of the factors in recent times is the outbreak of COVID-19. This outbreak has resulted to low access to basic needs and loss of jobs. A high rate of households reported income loss since mid-March 2020, as 79% of households reported that their total income decreased. Basically, while income from all sources were affected, the rate was highest for income from non-farm family business (85%) compared to household farming, livestock or fishing (73%) and wage employment (58%). The commerce, services and agricultural sector was recorded to have the highest number of layoffs. It was also revealed that a high percentage of households could not afford needs such as staple foods, soap and cleaning supplies and access to treatment. The COVID-19 pandemic has increase the hardship in Nigeria.

Another major cause of economic hardship in Nigeria is Corruption. In 2012, Nigeria was estimated to have lost over \$400 billion to corruption since independence. In January 2020, Transparency International's Corruption Perception Index (CPI) ranked Nigeria 146 out of 180 countries surveyed. Corruption reduces the overall wealth in a country since it can discourage business from operating in such a corrupt setting. Moreover, corruption harms society by damaging economic development and reforms and hinders the growth of democratic institutions. It impedes the ability of developing countries to attract foreign investors and distorts capital allocation as well as impedes international trade. Corruption has also led to the lack of trust in Nigerian government. Money that was supposed to feed the poor was embezzled because of the high rate of corruption in Nigeria.

Furthermore, the massive drop in international oil price has played a major part in causing economic hardship. This majorly happened because Nigeria as a country was heavily dependent on crude oil. Ever since the drop in Nigeria's revenue, it has been battling with the evident decline in money supply, and this has greatly halted a lot of economic activities. Existing businesses are finding it difficult to survive because the money is not flowing, and it barely flows towards their direction. This means less revenue for existing businesses; and for new businesses, they will barely spring up, because there is no motivation for them to spring up, and not just that, should they want to secure a loan facility, it will be very difficult for them, because the access to finance is so locked up, and interest rate is on the high side.

In conclusion, economic hardship is a problem that must be minimized in Nigeria, as citizens are losing their lives, jobs and homes on a daily basis. The current situation Nigeria is facing because of COVID-19 can be minimized, if the government provides adequate health system and ensure the flow of basic necessities to the poor. Corruption can also be reduced by ending impunity, empowering citizens and closing international loopholes. The massive drop in international oil price cannot be minimized but the over dependent on oil should be reduced as it is the root of the problem. Nigerian government should stop depending on oil and start encouraging local businesses by providing adequate facilities to fund their businesses and the government should also patronize locally made goods. They should also stop the importation of goods that can be locally made in Nigeria. The above mentioned are the little things the

government can do to minimize economic hardship in Nigeria. The citizens should also be involved in economic activities and not lazy around.