

Covid 19 Pandemic and Entrepreneurship Enterprise in Calabar, Cross River State, Nigeria

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Abstract

In the face of the global coronavirus pandemic, entrepreneurs have realized that the pandemic is not just a health issue affecting all nations of the world, testing the resolve of governments and billions of people around the world, but it has also provoked a global economic downturn unprecedented since the Second World War. Its impact on business has not been witnessed before. This study examines the extent and impact of the Covid-19 pandemic on entrepreneurship enterprise in Calabar, Cross River State. Adopting a descriptive quantitative survey method, data was collected from 385 participants, who were selected from a population of 6532 registered SMEs in Calabar using stratified, purposive and simple random sampling technique. A self-developed semi-structured questionnaire was used to collect the needed information. Data collected from the field was analyzed using descriptive statistics such as graph, frequency distribution, simple percentages as well as Pearson Product Moment Correlation at 0.05 level of significance. From the analysis, result revealed that all the entrepreneurs (businesses) (99.21 per cent), are affected by the pandemic. 98.18 per cent of the business survey revealed that there has been a reduction in sales. 93.49 per cent of the businesses revealed that they have reduced production because of the pandemic. 46.88 per cent of the businesses have to lay off their employees. From the parametric statistics carried out, the study concludes that there is a negative significant relationship between Covid-19 pandemic on entrepreneurship enterprise. The study calls for grants, soft loans and other bailout modalities for entrepreneurs in the face of the global pandemic.

Keywords: Covid-19 Pandemic, Lockdown, Entrepreneurship enterprise, SMEs, Calabar

Introduction

The greatest pandemic since the second world war that ended in 1945 has left just a few nations if any unaffected. The coronavirus known as covid-19 has left governments stretched and repeatedly tested. The world health organization (2020) proclaimed the pandemic as one of the greatest challenges in the history of mankind and a disaster for public safety. Since it started, the world has witnessed a vice-like grip that has overwhelmed the health system of nations, killing many and bringing with it a myriad of behavioral change and measures to check the spread that has led to changes in the social and economic fabric of affected nations (Donthu & Gustafsson, 2020; Hernandez-Sarelez, Cardella & Sanchez-Garcia, 2020; WHO, 2020).

But less noticed or discussed is the impact the pandemic has had on entrepreneurship enterprises. According to the OECD (2020), the fallout from the COVID-19 pandemic will see a 6 per cent drop in global GDP and a 7.6 per cent fall in the case of a second wave of the pandemic. The international labour organization (2020) estimates that the covid-19 pandemic and its measures have impacted on the unemployment causing more 27.7 million to be without jobs, implying that sustainable of SMES will be difficult. The world trade organization (2020) reported a decline in global merchandise trade in the first quarter of 2020 by 3 per cent and estimated a decline of 32 per cent in the fourth quarter of 2020, the International Labour Organization (2020) reports that more

than 75 per cent of small business has experienced reduced revenue, one third have lost more than half of their revenue and their situation is not expected to reduce.

The ILO (2020) also estimates that 75 per cent of entrepreneurs have seen a rapid reduction in customers' orders as a result of the pandemic and 33 per cent have a reduction of more than 50 per cent in their order from customers. The International Trade Centre (2020) estimates that one in every five-entrepreneurship business will go bankrupt by the end of 2020. Studies have revealed the effect that the COVID-19 pandemic has had on entrepreneurship enterprise. Bartik, Bertrand, Cullen, Glasser, Rula and Stanton (2020) surveyed over 5800 small businesses in the United States. The result from the survey revealed that 43 per cent of business in the United States were already closed as a result of the covid -19 pandemic. Aladejebi (2020) in his study on the impact and survival strategy of small business in Nigeria during the pandemic, found that the COVID-19 pandemic has led to reduced revenue, reduced staff salary and government not doing enough to check the spread of the pandemic. Enemona, Mohammed and Usio (2020) assessed covid -19 and SMEs in Lokoja, Kogi state. Using a sample of 100 SMEs operators, findings revealed that the pandemic has led to a reduction in the income of SMES, the prices of raw material have increased geometrically while many employees laid off. The study of Adijoh, Ze, Iougem and Dalibi (2020) revealed that the covid-19 pandemic measures such as lockdown movement cessation, reduction in import and a drastic reduction in the spending power have negatively affected SMES.

In Nigeria, as at mid of November 2020, there were 66,228 recorded cases of covid-19 with 1,166 recorded deaths. As effort to check the spread of the virus, the federal government instituted several measures, including a complete lockdown in the nation. The lockdown became a major constraint for business enterprise due to the control measures such as the ban on the market place, transport restriction and social distancing. Enengedi (2020) in a survey reported 1943 micro-enterprise reported in the 36 states reported that 93.3 per cent of businesses reported negatively been affected by the pandemic particularly in the area of cash flow, revenue and sales.

Work in Progress (2020) reported that as at March and June 2020, 71.43 per cent of business enterprise reported experiencing a decline in market sales, 57.16 percent reported a decline in small business raw material supply and 47.62 per cent of business have stopped production completely. But there have been gaps in statistics of the effect of the covid-19 on entrepreneurship enterprise at the micro-level. Studies that have been carried out have looked at the impacts at national, with just a few analyzing the impact at state or local government level. This study is set to examine the impact of the covid-19 pandemic on entrepreneurship enterprise in Calabar cross river state, Nigeria.

Methodology

Study Settings

Calabar, the capital of Cross River State is situated in the southern part of the state, covering an area of 406 kilometres and 157 square miles, it is adjacent to the Calabar river and the great Kwa river. Politically, Calabar is divided into two local government area; Calabar south and Calabar municipality. According to the 2006 population census, the population of the area stands at 371,022 (NPC, 2006). The original landowners of Calabar are the Ejagham, Efut, Efiks and the Quas, but as the state capital and administrative capital of cross river state, the area pulls a large population from other parts of the state as well as from other parts of Nigeria. Also, as the tourism capital of Nigeria, Calabar is the home to several hospitality businesses and other forms of small businesses who try to take advantage of both tourist and residence in the area.

Study Design

The descriptive quantitative survey method was adopted for the study. The method tries to analyze and describe a situation, issue or phenomenon using descriptive method. This method attempts to answer how, what, when and where questions of social issues. In using this method, data was collected using an unstructured questionnaire designed to elicit appropriate information on the impact of COVID-19 on entrepreneurship enterprise in Calabar. The questionnaire was a 12-point questionnaire designed in a Likert scale format.

Participants

From a population of 6532 registered businesses in Calabar, 385 business was selected to be used for the study. The number was arrived at using the survey monkey sample size determinants technique. The stratified, purposive and simple random sampling was used in selecting the samples from the study area. Calabar was stratified into two strata according to the two local government areas, 9 areas were purposively selected from each of the local government areas. The areas selected are thus: Calabar south; watt, bedwell, Chamley, Goldie, Anatigha, Ekpo Abasi, Mbukpa, Edibe Edibe, and Orok Orok. For Calabar Municipality; Eta Agbor, Ndidem Using Iso Road, Mcc, Parliamentary Road, Akae Efa, Akim, IBB Way, Atimbo, And Edim Otop. From this areas, 21 businesses were selected from 14 areas, while 22 was selected in one and 23 was selected in three, the areas where 23 businesses were selected are Watt, Edim Otop, and Akim and 22 from MCC.

Ethical Consideration and Method of Data Collection

A written letter of consent was attached to each questionnaire distributed to the business owners in addition to the verbal consents from the participants. Data for the study was collected over three weeks with the aid of four research helps.

Method of Data Analysis

Data collected for the study was coded and then entered into the statistical package for social sciences version 20. Descriptive statistics such as tables, simple percentages, graphical illustration and Pearson Product Moment Correlation was used to analyses the result at 0.05 confidence level.

Results

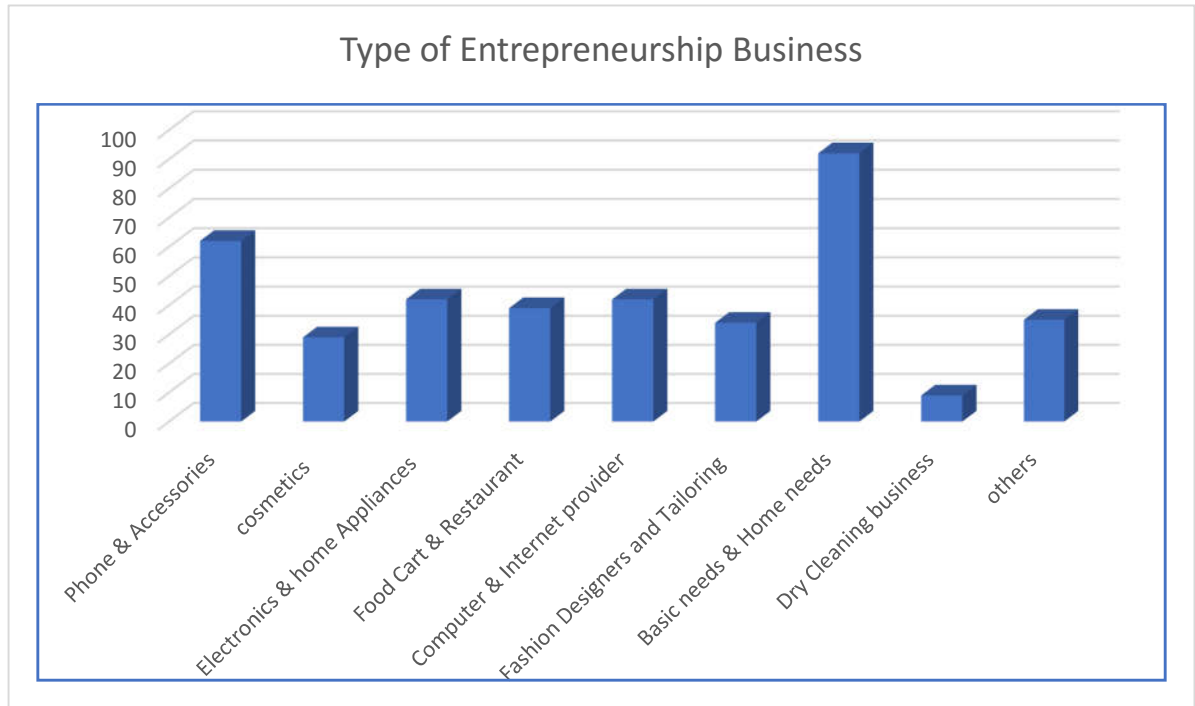
Data Analysis

The main objective of the study is to examine the impact of the Covid-19 pandemic on entrepreneurship enterprise in Calabar, Cross River State, Nigeria, the questions raised for the study were based on the objective of the study. The data collected from the participants were subjected to descriptive statistics such as table, simple percentages and graphical illustration and presented in table 1 and 2, figure 1 and 2.

Table 1: showing participants type of Enterprise

1	Type of business	Phone & Accessories	62	16.15
		cosmetics	29	7.55
		Electronics & Home Appliances	42	10.94
		Food Cart & Restaurant	39	10.16
		Computer & Internet provider	42	10.94
		Fashion Designers and Tailoring	34	8.85
		Basic needs & Home needs	92	23.96
		Dry Cleaning business	9	2.34
		Others	35	9.11
		Total	384	100

Field Survey 2020



**Figure 1: Graphical Illustration of Participant Type of Business
Field Survey 2020**

Table 2: participants' response on COVID-19 and entrepreneurship enterprise

S/N	Statement	True	Very true	Not True
2	The COVID-19 pandemic has affected how I run my business	198 (51.56)	183 (47.66)	3 (0.78)
3	Sales have reduced since the covid-19 pandemic measures were put in place	148 (38.54)	229 (59.64)	7 (1.82)
4	I have reduced my production volume or buy to sell volume because of the Pandemic	187 (48.70)	172 (44.79)	25 (6.51)
5	The price of raw materials and goods have tripled as a result of the pandemic	124 (32.29)	189 (49.22)	71 (18.49)
6	Transportation of goods or raw material have skyrocketed	178 (46.35)	196 (51.04)	10 (2.60)
7	I have had to furlough my employees because reduction in income	106 (27.60)	98 (25.52)	180 (46.88)
8	I have received some form of support from the government for my business	18 (4.69)	6 (1.52)	360 (93.75)

Field Survey 2020

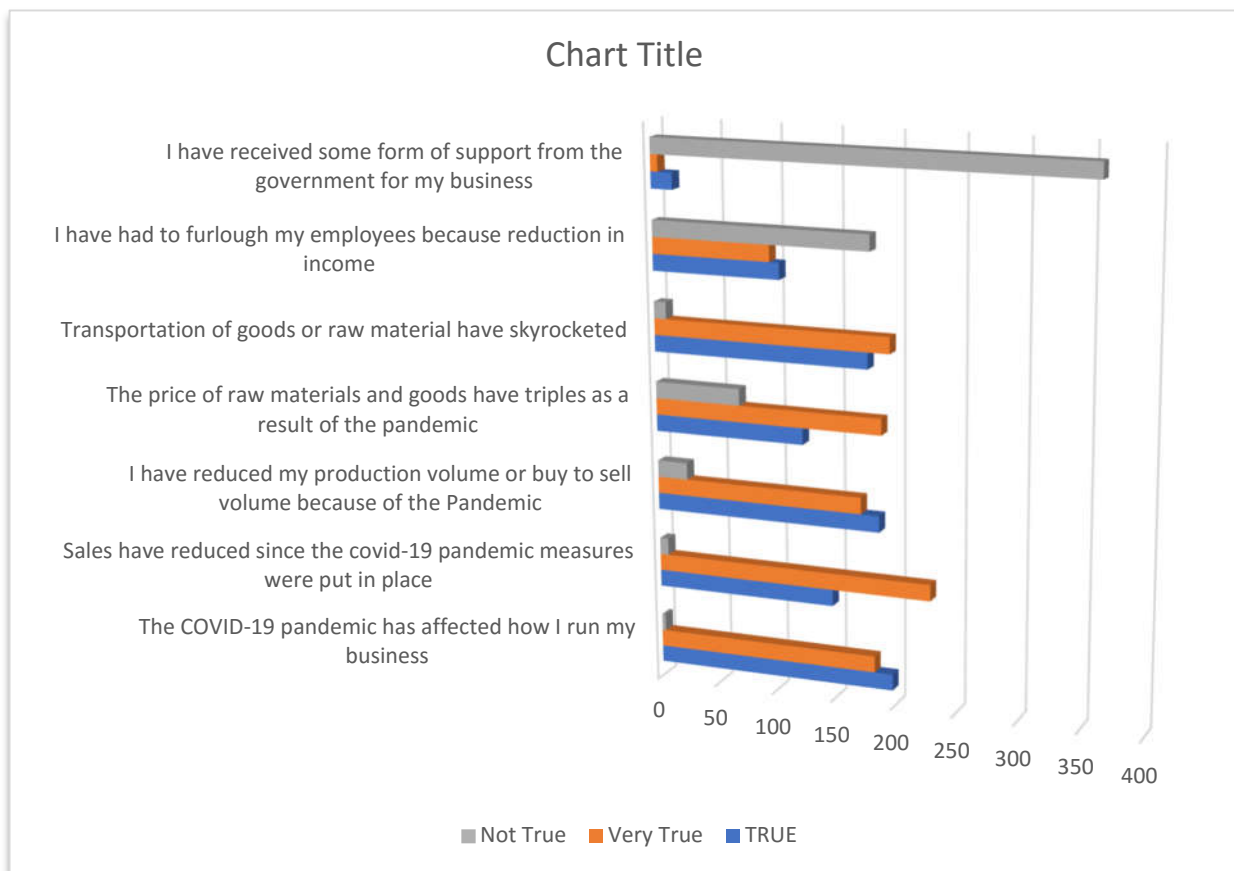


Figure 2: Graphical Illustration of Participant Response on Covid-19 Pandemic and Small Business Field Survey 2020

From the descriptive analysis, the result revealed thus; on the participants type of Business; 62 (16.15%) participants operate Phone & Accessories enterprise, 29 (7.55%) participants reported operating cosmetics enterprise, 42 (10.94%) reported operating Electronics & Home Appliances, 39 (10.16%) participants reported operating Food Cart & Restaurant enterprise, 42 (10.94%) reported operating Computer & Internet provider, 34 (8.85%) participants reported Fashion Designers and Tailoring, 92 (23.96%) reported selling Basic needs & Home needs, 9 (2.34%) participants reported operating a laundry business and 35 (9.11%) participants reported others. 381 (99.21%) participants reported "True" that the COVID-19 pandemic has affected how they run their business, while 3 (0.78%) reported "not True". 377 (98.18%) reported that sales have reduced since the covid-19 pandemic measures were put in place, while 7 (1.82%). Majority of the participants 359 (93.49%), reported "True" that they have reduced their production volume or buy to sell volume because of the Pandemic, while 25 (6.51%) reported, "Not True". On The price of raw materials and goods have tripled as a result of the pandemic; 313 (81.51 %) participants reported "True" and 71 (18.49%) reported, "Not True". On Transportation of goods or raw material have skyrocketed; 374 (97.40%) participants reported "True" and 10 (2.60%) Reported "Not True". On I have had to furlough my employees because reduction in income; 204 (53.13%) participants reported "True" and 180 (46.88%) reported "Not True". Finally, on I have received some form of support from the government for my business; 24 (4.69%) participants reported "True" and 360 (93.75%) reported, "Not True".

Data Analysis

The result from the descriptive analysis was subjected to parametric statistic using Pearson Product Moment Correlation. In this analysis, Covid-19 Pandemic is the independent Variable, while the dependent variable entrepreneurship enterprise. The analysis was carried out at 0.05 confidence level and presented in Table 3.

Table 3: Summary of Pearson Product Moment Correlation analysis of Covid-19 pandemic and entrepreneurship enterprise

Variables	N	Mean	SD	R	p-value
Cooperative micro-savings	384	14.3743	4.77323		
				.376	.000*
Socio-economic well-being	384	21.6270	6.90593		

*p<.05, df =382

The result of the statistical analysis as presented in table 3 indicates that the calculated r-value of .376 is greater than the critical p-value of .000 at .05 level of significance with 382 degree of freedom. By this result, there is a significant relationship between Covid-19 pandemic and entrepreneurship enterprise in the study area. The correlation coefficient is a standardized measure of an observed degree of relationship between variables, it is a commonly used measure of the size of an effect, and that values of ± 1 represent a small effect, ± 3 is a medium effect and ± 5 is a large effect. With this result we can conclude that the Covid-19 pandemic has significantly affected entrepreneurship activities in Calabar, Cross River State.

Discussion of Findings

From the analysis of data collected from the field based on the variables under study, it was discovered that 99.21 per cent of the nosiness enterprise surveyed revealed that the COVID-19 pandemic has affected their business negatively. 98.18 per cent of the business survey revealed that there has been reduction in sales. 93.49 per cent of the businesses revealed that they have reduced the production because of the cause of the pandemic. 46.88 per cent of the businesses have furlough their employees. 93.75 per cent of the surveyed business also revealed that they have not received any form of grant from the government as pallative for their business during the pandemic.

From the parametric statistics carried out, it was discovered that there there is a significant relationship between Covid-19 pandemic and entrepreneurship enterprise in the study area. This is because, the calculated r – value of .376 is greater than the critical p-value of .000 at .05 level of significance with 382 degree of freedom. With this result we can conclude that the Covid-19 pandemic has significantly affected entrepreneurship activities in Calabar, Cross River State. The findings of this study are supported by that of Aladejebi (2020), who found that the COVID-19 pandemic has led to reduced revenue, reduced salary staff and government not doing enough to check the spread of the pandemic. Enemona, Mohammed and Usio (2020) found that the pandemic has led to reduction in the income of SMES, price of raw materials has increased and employees working for SMES have been laid off. Adijoh, Ze, Iougem and Dalibi (2020) study revealed that the covid-

19 pandemic measures such as lockdown movement cessation, reduction in import and drastic reduction in the spending power has negatively affected SMES.

Conclusion and Recommendation

The result from this study has revealed the negative impact that the novel Coronavirus have had on entrepreneurial enterprise in Calabar. Hence there is need from the Nigerian Government to provided financial assistants to entrepreneurs through an emergency funding program with wide coverage, at lower interest rate, the government should also pass lowers that will help entrepreneurs access microcredits from Banks with reduced interest rate , deferred taxes etc. entrepreneurs would also benefit from diversifying their business operations method through the adoption of online platforms, virtual service provision etc.

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