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## Effect of Covid-19 Loan on Youth Empowerment in Chanchaga Local Government Area of Niger State

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The study determines the effect of covid-19 loans on youth empowerment in the Chanchaga local government area of Niger state; A study of Niger State from 2020- 2022. The problem investigated revolves around the Global health emergency and its economic and social effects that have disrupted youths in the local government area. The study's objective is to examine the effect of covid-19 loans on youth empowerment in the Chanchaga local government. The data for the study were generated from primary (questionnaires and interviews) and secondary (reports and journals) sources. Questionnaires were distributed to a sample of 113 respondents selected from the 201,429 population of the study through simple random sampling. Data were analysed using descriptive, inferential and thematic statistical tools. Regression analysis tests result showed that covid-19 loan significantly negatively impacts youth empowerment. The result from the interview also indicated that the covid-19 loan has a significant negative impact on youth empowerment. It was recommended, among others, that financial institutions should approve the loan to the right complete business owner with a certificate of incorporation. This will help sustain the scheme's objective of empowering youths.

**Keywords:** Covid -19, Youth Empowerment, Loan

### Introduction

The COVID-19 pandemic has become a significant global crisis that requires individuals, organisations and nations to take necessary steps to cope. To develop a comprehensive and systematic understanding of the effect of COVID-19 on every individual directly or indirectly affected by the pandemic. In most African countries, the pandemic's threats were not taken seriously early enough, so the response was weak. While other continents were seriously battling the pandemic, most African countries still went about daily socio-political and economic routines.

The first case of the pandemic was recorded in Africa on 14th February 2020, and the first confirmed case in sub-Saharan Africa was in Nigeria (BBC News, 28th February 2020). The possibility of Africa becoming the epicentre of the pandemic has become a significant concern to professionals and experts across the globe due to the fragile health systems characterised by inadequate funding, ineffective data management systems, inadequate training of healthcare workers and unavailability of modern medical equipment. Most West African states have recorded confirmed cases and deaths with some recoveries.

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The covid 19 was announced in Nigeria in February 2020 most people ignored the disease. However, the menace was reported to have originated in the village of Wuhan in China in 2019 with alarming death rates. The index case reported in Nigeria was an Italian who visited Nigeria in February 2020. This man was said to have been to some other states in Nigeria before testing positive for COVID-19, with the possibility of infecting many people he came in contact with. This news sent waves of panic across Nigeria due to the level of unpreparedness of the country for the pandemic. To worsen the panic, the World Health Organisation (WHO) categorised Nigeria as one of the 13 high-risk African Countries to the spread of COVID-19. Nigeria is also among the vulnerable African Nations due to the weak state of the healthcare system. There are still communities without healthcare facilities in Nigeria, apart from the scarcity of health workers.

The first case of COVID-19 patient in Niger State, Nigeria, was announced by the Nigeria Centre for Disease Control (NCDC) on 10th April 2020. Since then, many cases have been confirmed in the state, and more cases are still reported. The number of cases in Niger State as of 30th April 2021 stands at 930, with 17 deaths and 913 recoveries. The pandemic has affected almost every sector of the economy in the state, which has increased youth unemployment in the state and the country at large.

The increasing number of cases of COVID-19 patients in Niger state and the country at large made the state government introduce a measure. These measures include lockdown, curfew, social distancing, contact tracing, massive sensitisation of citizens on the nature of the virus, isolation, frequent hand washing, inter-state restriction, inter-local government restriction and the use of face masks in public places. All these are put in place to make people adhere to the basic safety guidelines

Youth empowerment has been recognised as a catalyst for achieving pro-poor growth among Developing Countries. This led Sacerdoti (2005) to argue that faster economic growth would not be possible without the deepening of the financial system and, in particular, more support from the banking system. He further showed a strong association between access to bank credit and the overall economic development of a country. Access to finance can help poor youth to increase their income, build viable businesses, and reduce their vulnerability to external shocks. It can also be a powerful instrument for self-empowerment by enabling the poor, especially the youth, to become economic agents of change (Bashir, 2008).

Youth empowerment has, over the years, been a subject of concern to successive and present governments and has become one of the terms equated with development. The term empowerment links actions to needs. It is also a concept that does not merely concern personal identity but brings out a broader human and societal development. The absence of youth empowerment in Nigeria usually results in activities of miscreants such as militancy, like in the Niger Delta, communal crises, the deadly Boko Haram and in northern Nigeria, incessant farmers-herder violence, political thuggery, banditry, and trafficking; hence, upsetting the seemingly peaceful and stable socio-political situation (Aiyedogbon & Ohwofasa, 2012; Salami, 2013 Ayodeji, Salau & Adeniyi, 2014). Following the increase in the rate of poverty and unemployment due to COVID-19 in the country, the Federal Government of Nigeria established the Household Income in 2020 to tackle poverty, unemployment and hunger across the country. The capacity of the poor would be significantly enhanced through the provision of financial services, especially credit, to enable them to engage in economic activities and be more self-reliant, increase employment opportunities, and enhance household income, thereby leading to youth empowerment.

Despite the effort, the youth are still roaming the street of Niger state despite all the institutional mechanisms to support the youth empowerment programmes. The fundamental question now is; To find out the effect of the covid 19-loan on youth empowerment in the chanchaga local government. Therefore, this paper aims to examine the effect of covid-19 loans on youth empowerment in the Chanchaga local government. The paper hypothesises that *the covid-19 loan* has no significant effect on youth empowerment in Niger state.

## Literature Review and Theoretical Framework

### Concept of Covid -19

A pandemic is a large scale outbreak of infectious disease that has the capacity to increase mortality and morbidity over a wide geographic area, imprinting a significant socio-economic and political disruption (Madhav, N., Oppenheim, B., Gallivan, M., Mulembakani, P., Rubin, E., & Wolfe, N. 2018). It can also be defined as an epidemic that occurs over a wide geographic area, across international boundaries and borders usually affecting a large number of people. As the Corona virus disease continues to spread all over the world, business owners, entrepreneurs, their enterprises, employees and the entire societies are facing unprecedented challenges. The closure of schools and tertiary institutions has occasioned severe adverse consequences on students around the world especially as it “interrupts learning which results in students’ and youths being deprived of opportunities for growth and development” (UNESCO, 2020). The report also indicates that in Nigeria, 46 million students are at home as a direct impact of the pandemic. These closures as a result of the lockdown measures by governments around the world the curb the spread of the virus is causing a major shift from the traditional in-class learning to online learning.

### Concept of Youth Empowerment

Youth empowerment can be defined as a process whereby young people gain the knowledge, skills, and development which they acquire to earn a living. Ezeani (2012) added that youth empowerment is an attitudinal, structural, and cultural process whereby young people gain the ability, authority, and agency to make decisions and implement change in their own lives and the lives of other people including the youths and adults. Olajire and Komolafe (2013) stated that youths are empowered when they acknowledge that they have or can create choices of life, and are aware of the implications of these choices, make an informed decision, and accept responsibility for the consequences of those actions. Youth empowerment is an attitudinal, structural, and cultural process whereby young people gain the ability, authority, and agency to make decisions and implement change in their own lives (Obadan, 2017).

### Concept of Loan

A loan is a form of debt incurred by an individual or other entity. The lender usually a corporation, financial institution, or government advances a sum of money to the borrower. In return, the borrower agrees to a certain set of terms including any finance charges, interest, repayment date, and other conditions. In some cases, the lender may require collateral to secure the loan and ensure repayment. Loans may also take the form of bonds and certificates of deposit (CDs).

### Measures Taken by Nigerian Government

Unfortunately, Nigeria is battling the pandemic from a vulnerable economic disposition considering that crude oil, its economic mainstay had already taken a hit having crashed to less than \$30/barrel below the 2020 budget bench mark and consequently forcing the Federal Government to slice N1.5 trillion off its ambitious N10.6 trillion projection. Part of President Muhammadu Buhari’s headache fighting the COVID-19 battle is the national debt overhang of over N24.7 trillion, a depleted external reserve of less than \$38

billion and Excess Crude Account of a paltry \$17 million; at a time, the World Health Organisation has asked African countries to prepare for worse days ahead. Already experts have warned that Nigeria risks slipping into another recession when indeed the economy is yet to fully overcome its shaky exit from the 2016 episode. On the monetary side, the Central Bank of Nigeria (CBN) Governor, Mr Godwin Emefiele, rolled out a number of intervention measures aimed at reducing the economic impact of the pandemic. The apex bank is also rolling out a bumper stimulus package of N3.5 trillion in support of local manufacturing and import substitution activities across all critical sectors of the economy. This is in addition to the N100 billion loans already earmarked in 2020, to support the health authorities to ensure laboratories, researchers and innovators work with global scientists to patent and or produce vaccines and test kits in Nigeria to prepare for future health challenges. There is also the reduction on interest rate on its N3 trillion multi-sector intervention package from 9 per cent to 5 per cent, while also extending its moratorium on various loans for one year, effective March 1, 2020, to guarantee easier repayment plan since the cash flow of most businesses has drastically reduced due to the coronavirus pandemic. It directed participating financial institutions to provide new amortization schedules for all beneficiaries. The apex bank also said it would increase the N50 billion earmarked for soft loans to small businesses by another N100 billion in loan this year to support the health authorities to ensure laboratories, researchers and innovators work with global scientists to patent and or produce vaccines and test kits In Nigeria to prepare for any major crises ahead. He further advised the banks to adhere strictly to the directives, advice, and notices from the Federal Ministry of Health, National Centre for Disease Control and other relevant government agencies on national response measures to COVID-19. But as welcome as these interventions may seem, experts say they are insufficient for a global pandemic that has literally forced Europe, Asia and the Americas to shutdown by forcibly disrupting supply

chains, crashing stock markets and suffocating the transportation infrastructures. They have also argued that not all responses to the crisis appear to be well targeted. For instance, so far only Lagos State has shown capacity to manage the crisis, just the Federal Government strategies have only focused on the international airports, while land borders have been left bare without necessary equipment and quarantine centres. Adeyemi Adeniji, an investment consultant lamented that the country does not seem to appreciate the enormity of the pandemic that has worsened the already vandalised economy. He called for a better synergy between the fiscal and monetary sides to fashion out policies that will strengthen the nation's economy. He said: —The economy is in bad shape. It was already in bad shape before the coronavirus outbreak. We depend solely on oil and have not really diversified the economy. —We need a policy that will synergise all agencies to deal with the issue, not a fire brigade approach. We should have short, medium to long term strategies. Some of the Federal Government policies are in silos and are not working. —The major problems we have lie with policy making and implementation. We do not have a strong economic policy. We really don't follow any rule. We're big on fire brigade measures, he said. Also commenting on the matter, Orji Udemazue, an economist said the COVID-19 pandemic was something the legislative, executive and other key stakeholders in Nigerian should escalate as number one threat to the country's survival. He said: —We need to understand that this is an emergency situation. Banks and other players in the economic space will be heavily impacted. —The CBN always does its best in emergencies like this but there should be a marriage of the fiscal and monetary side. What are we doing in the health sector? We need test kits and other materials to tackle this health emergency. How will the N100 billion be spent? We need to know the details of the fiscal spend. Do we have sufficient isolation centres nationwide? How can we really do social distancing? Isolation is very expensive for the average Nigerian. Many live in crowded areas and share many facilities like toilets and

kitchens, how can you achieve social distancing in such environments? If coronavirus hits such an area or a major market, how can it be tackled? We've millions of SMEs who rely on daily interactions to survive, how can you take care of them? These are things we want answers to. —The next 14 days is crucial to Nigeria. If this coronavirus spreads, government expenditure will crash, investment will be zero. Hotels, bars, restaurants, transportation and many others will be impacted. Are our hospitals ready to take in patients, especially those in the rural areas? Governors should collaborate with their philanthropists to create isolation centres that are fully equipped and manned by experts and with a hotline. Next 14 days are critical, he said. A director in one of the agencies under the Finance Ministry who pleaded anonymity expressed sadness over the Federal Government's initial foot-dragging in its response to the COVID-19 pandemic. —The government convinced itself that it can merely slow down the spread of the virus, rather than taking the steps needed to halt it in its entirety. The overcrowding in hospitals in many parts of the country has already exposed the folly of such complacency, he said. For also commenting on the government containment strategies, Mr Odilim Enwegbara, a developmental economist, said —this is the time for government to cut wastes. —Crude oil has crashed and it's because of coronavirus. Airlines and shipping companies and vehicles that consume petroleum products have drastically restricted their movements. So, demand is very low. Unfortunately in Nigeria, we've almost depleted our excess crude account. Our reserves have also reduced. So, the government should ensure workers salaries are paid regularly. We can suspend some capital projects at this time. This is not the time to travel all over the place spending heavily. Unfortunately again, our economy is not diversified. If not, we won't be vulnerable to these external shocks. It would have been a blessing in disguise. We would have sufficiently produced what we hitherto imported and saved the foreign exchange. It's quite a challenge but we can pull through with what I've said above, he said. Covid-19 virus. Crude

per barrel fell to single digit, first in the history of the World, a crisis that hits the oil-dependent nations most, Nigeria inclusive. The impact was felt as it adversely affected government revenues that were to be shared among the component states whose survival lies on the oil rent. Most of these states could not meet up with civil servants' monthly salaries; these had trickle-down effect on the purchasing power of average household and thereby affect patronage of Small and Medium Scale businesses. Despite Federal Government's windows of intervention to business entrepreneurs and household loans, many have not recovered from the shock of the pandemic.

### Methodology

This study used mixed methods and adopted concurrent embedded research design. The design allows for making quantitative and qualitative analysis of data generated through questionnaire and interview instruments. The primary data was generated through questionnaire and interview method. While, the secondary sources of data were generated from published materials. The population of this study consist of the beneficiaries in Chanchanga local government area. A sample size of 113 was drawn using Krejcie and Morgan (1970) table. Snowball sampling method was applied in selecting the respondents and Eight (8) management staff were interview for the study. Thematic and Simple linear regression was used in making the analysis and testing the hypotheses respectively.

### Decision Rule

The null hypothesis should be rejected if the P value is less than 0.05% level of significance and where the P value is greater than 5% level of significance, the null hypothesis should be accepted.

### Simple Linear Regression Analysis and Test of Hypotheses

To test for the hypothesis formulated in this research, simple linear regression was used to find out the Effect



of covid-19 loan on youth empowerment in Chanchaga local government area of Niger State. The results from Statistical Package for Social Sciences (SPSS) are presented below:

**Hypothesis:**

**H<sub>0</sub>: Covid-19 loan has no significant effect on youth empowerment in Chanchaga local government.**

Table 1.0: Model Summary of Regression Result Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	-.873.a	.762	.749	874.779

Predictors (constant): Covid 19 Loan

From the findings in the table above R was -.873 meaning that there was a strong negative relationship between dependent variable and the predictor. R<sup>2</sup> was 0.762 implying that only 76.21% of the dependent

variable variations could be explained by independent variables while only 28.1% of the variations were due to other factors. This implies that the regression model has very good explanatory and predictor as only 28.1% of the variations could not be explained.

**Table 1.1: Analysis of Variance (ANOVA)**

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	630.777	1	630.777	623.174	.000 <sup>a</sup>
	Residual	349.221	112	1.0122		
	Total	980.001	113			

Predictors: (Constant), Covid 19 loan

Dependent Variable: Youth Empoerment

The table above shows the F statistics which stood at 623.174 having a P-value of 0.000 which is less than 0.05 (0.000<0.05) indicating significance at 95%

confidence level. Therefore, the overall regression model is statistically significant and can be used for prediction purposes at 5% significance level.

**Table 1.2:** Regression Standard Coefficient Results

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)					
Covid-19 loan	8286.78 -.564	1852.25 .074		4.474 7.598	.000 .000

Dependent variable: Youth Empowerment

$$Y = 8387 - 0.564x + \varepsilon$$

The t and Sig (p) values give the indication of the impact of the predictor variable – a big absolute t-value and small P-value suggests that a predictor variable is having a large impact on the criterion variable.

Table shows the coefficient of the variables in the model. From the above model, the coefficient of Covid 19 loan stood at -0.564 which is negative. This implies that even if Covid 19 loan continues, it can't bring about youth empowerment. Conclusively from tables above, a Simple Linear Regression was computed for the effect of covid-19 loan on youth empowerment in Chanchaga Local Government Area of Niger State. A negative effect was found indicating that; covid-19 loan has negatively effect on youth empowerment. Furthermore, the beta value (-.873) in table means that covid 19 loan have strong negative effect on the dependent variable. Therefore, we do not reject the null hypothesis which state that, "Covid-19 loan has no significant effect on youth empowerment in Chanchaga local government area of Niger State". This gives the impulsion to conclude that, Covid-19 loan has no significant youth empowerment in Chanchaga local government area of Niger State.

### Qualitative data analysis

To complement the responses generated through questionnaire, interview was conducted to 8 people. The responses from the interviews were analyzed using thematic method of qualitative data analysis. This method involves getting familiar with the data,

coding, generating the themes, reviewing the themes, defining and naming themes as well as writing up the report.

### Result of Interview Responses Using Thematic Analysis

**Theme I: To find out the effect of Covid-19 loan on youth empowerment in Chanchaga local government.**

**Sub-theme 1a** To find out the effect of the covid 19-loan on youth empowerment in the chanchaga local government

There is unanimous agreement among the respondents by stating that: covid 19-loan has no effect on youth empowerment in Chanchaga local government because the aim of given out the loan was not realized as most of the beneficiary used the money to buy Motor cycle, Cars and Accessories. (R<sub>1</sub>, R<sub>2</sub>, R<sub>3</sub>, R<sub>4</sub>, R<sub>5</sub>, R<sub>6</sub>, R<sub>7</sub> and R<sub>8</sub>).

### Summary of Findings

The test of hypothesis shows that covid 19 loan has no significant effect on youth empowerment. However, the results of the analysis indicated a strong negative relationship between covid 19 loan and youth empowerment. The findings from interview also corroborate with the questionnaire results as the respondent indicate that most of the beneficiaries had used the loan for other purposes other than what it is main for.

## Conclusion and Recommendation

In view of the data presented and analyzed as well as the hypothesis tested, the study concludes that the aim of giving out the loan which is to ease the burden that the pandemic of covid 19 brought about was not defeated as most of the the beneficiaries are not business oriented thus used the loan otherwise. Despite the negativity of the effect of the the loan on youth empowerment, there are still a few that were able to utilize the loan obtained from the government. It was recommended that financial institutions should approve the loan to the right complete business owner with a certificate of incorporation. This will help sustain the scheme's objective of empowering youths.

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