POST COVID -19 AND UNEMPLOYMENT RATE IN UYO, AKWA IBOM STATE

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ABSTRACT

The impacts of the COVID-19 pandemic have caused a significant deterioration in economic conditions for some businesses and an increase in economic uncertainty for others. This study examined the influence of Covid-19 on the unemployment rate in Uyo, Akwa Ibom State. The study adopted the survey research design with a sample size of 114 respondents determined using the Taro Yammeh formula from a population of 160. Pearson Product Moment Correlation was used in analyzing the data. The major findings of the study show that there is a significant relationship between Covid-19 and the unemployment rate and Covid-19 is a predictor of unemployment, with an r value of 0.67. The study recommends among others, that government should create additional jobs to cater to the needs of unemployment, and concluded that there is a significant relationship between Covid-19 and the Unemployment rate in Uyo.

Keywords: Pandemic, Unemployment, Job, Covid, Government.

1.0 INTRODUCTION

The World has been gripped by a pandemic over the first half of 2020 till now. It was identified as a new coronavirus (severe acute respiratory syndrome coronavirus 2, or SARS-CoV-2), and later named as Corona Virus Disease-19 or COVID-19. While COVID-19 originated in the city of Wuhan in the Hubei Province of China in late 2019, it has spread rapidly across the world, resulting in human tragedy and tremendous economic damage (Ozili & Arun, 2020). The crisis has already changed from health to economic and labor market tragedy, impacting not only the supply chain which comprises of production of goods and services but also aggregate demand in the form of decreased consumption, production, and investment (United Nations, 2020).

The COVID-19 pandemic has deep-rooted labor market fragilities, and structural inequalities and has exposed health emergencies in business industries, allowing firms to experience a temporary lull as many self-employed workers saw their incomes collapse. (United Nations 2020). In spite of governments' bold efforts to support firms and protect jobs through job retention schemes, millions of workers across Nigeria especially Uyo, Akwa Ibom State, have lost their jobs, and the surge in unemployment increases as the number of new confirmed cases increases because government brings up strict measures that increase operational cost on firms such as the provision of face mask to employees, hand sanitizers, soap and water at a strategic point, employment of health practitioner to check the temperature, security to check for compliance of covid-19 measures which includes; use a face mask, washing of hands, use of hand sanitizer, social distancing, etc. thereby making firms retrench staff and overworking a

staff with the work of 3-4 persons in order to reduce cost and maximize profit and constrained by the need to curtail face-to-face contact with job seekers reduced (United Nations 2020).

Youths have been hit hard by school closures and the closing down of entry-level jobs in the labor market as well as internships and apprenticeships. High and persistent youth unemployment in the aftermath of the city financial crisis showed that once young people have lost touch with the labor market or become marginalized in informal and precarious jobs, re-connecting them with good jobs can be very hard with potentially long-lasting scarring effects (Obialor & Ayandele, 2022a). As the pandemic is causing massive damage to the informal economy, the situation for young workers in this vulnerable sector is even more worrisome. (WHO, 2019).

Thus, the unemployment rate is very high and millions report that their households haven't enough to eat or are caught up on rent and other bills payments. Ozili & Arun 2020). The impacts of the pandemic and the economic fallout have been widespread, but are particularly prevalent among households in Uyo. These disproportionate impacts reflect harsh and longstanding inequities that often stem from structural politics — in education, employment, housing, and health care that the current crisis is exacerbating (Obialor & Ayandele, 2022b). According to Ozili (2020), Specific measures will also be required to address rising inequality and the uneven impact of the crisis to make labor markets fairer and more equitable.

2.0 STATEMENT OF PROBLEM

Nigeria is bedeviled with a myriad of problems, which despite her oil wealth, inhibits her development. Unemployment is one of the developmental problems that face every developing economy in this twenty-first century, and Nigeria is not exempted. According to the National Bureau of Statistics (NBS, 2020), the rise of Covid-19 in 2019 brought about many hiccups in business and religious organizations, schools, markets, and government agencies among others were forced to shut down. This was a major way of avoiding the spread of the virus. Companies were forced to downsize their labor force leading to unemployment.

According to the National Bureau of Statistics (NBS 2019), the unemployment rate in Akwa-Ibom which already stood at 35.75% in 2019 rose to 45.2% at the first quarter of 2021. This of course is the effect of Covid-19 pandemic which resulted to an increase in the unemployment rate in Uyo, Akwa Ibom State (NSB, 2020). This report shows the degree of the effect of the Covid-19 on the unemployment rate in Uyo Akwa Ibom. The problem of high unemployment is hereby established with the novel Covid-19 as the principal causality of the pandemic. However, the challenge before this study is to examine the relationship between the spread of covid-19 and unemployment rate in Uyo, Akwa Ibom State.

2.1 Objectives of the Study

The main objective of the study is to examine the relationship between the spread of covid-19 and unemployment rate in Uyo, Akwa Ibom State. The specific objectives are to:

1. Find out the causes of Covid-19 in Uyo and how it has expedited unemployment.
2. Examine the activities and programs of the government in her efforts to tackling unemployment problems in Uyo.

3. To find out ways of reducing the rate of unemployment in Uyo amidst the spread of the pandemic.

2.2 Research Questions

1. To what extent has Covid-19 expedited unemployment rate in Uyo?
2. To what extent has the government programs towards reducing Covid-19 spread helped in tackling the problems of unemployment rate in Uyo?
3. What are the possible measures put forward in reducing the unemployment rate in Uyo even in the midst of the virus?

2.3 Research Hypotheses

1. Covid-19 significantly has no relationship with unemployment rate in Uyo.
2. Government programs have not significantly in any way helped in tackling the problems of unemployment rate in Uyo.
3. There are no possible measures put forward in ensuring the reduction of unemployment rate in Uyo.

3.0 REVIEW OF RELATED LITERATURE

3.1 Concepts and History of Covid -19

Corona virus disease (COVID-19) is an infectious disease caused by a newly discovered corona virus. Corona virus Disease was declared as pandemic by the World Health Organization in March 11th, 2020 mainly due to the speed and scale of the transmission of the disease. It started as an epidemic in mainland China with the focus being firstly reported in the city of Wuhan, Hubei province in late December 2019. The etiologic agent of COVID-19 was isolated and identified as a novel corona virus, initially designated as 2019-nCoV. Later, the virus genome was sequenced and because it was genetically related to the corona virus outbreak responsible for the SARS outbreak of 2003, the virus was named as severe acute respiratory syndrome coronavirus-2 (SARS-CoV-2) by the International Committee for Taxonomy of Viruses (WHO,2020).

The source of the SARS-CoV-2 remains unknown, although the initial cases have been associated with the Wuhan South China Seafood Market where snakes, birds and other animals such as bats were sold. Considering that many of the early patients worked in or visited the market in contrast to the exported cases, it was suggested as either a human-to-human transmission or a more widespread animal source. A suspected bat origin was suggested after 96% genome sequence identity was demonstrated between SARS-CoV-2 and another corona virus named Bat-CoV-RaTG13 isolated from bat species which colonized a province nearly 2000 km away from Wuhan. Pangolins were also suggested as natural host of corona viruses (WHO, 2020).

However, evidence of human-to-human transmission became strongly supported on January 22nd, 2020 after a visit conducted by a WHO delegation to the city of Wuhan. Since the first outbreak recognized in February 2020, the disease spread rapidly around the world. According to the European Centre for Disease Prevention and Control, as of 17th of May 2021; 158 673

640 cases of COVID-19 and 3 299 568 deaths have been reported worldwide. Common symptoms of COVID-19 include: Fever, breathlessness, cough, sore throat, headache, muscle pain, chills, and loss of taste or smell. These symptoms are likely to occur 2–14 days after exposure to the virus. Some factors can affect the risk of coming into contact with the virus, while other factors can affect the risk of developing severe illness. The risk of coming into contact with the virus depends on how far it has spread in a person's local area. (WHO, 2020).

The WHO states that the risk of developing COVID-19 is still low for most people. However, this is changing as the virus spreads. The risk is higher for anyone in close contact with people who have COVID-19, such as healthcare workers. Viruses can also spread more in certain areas, such as highly populated cities. Older adults are most at risk of severe illness, as are people with the following chronic health conditions: serious heart conditions, such as heart failure, coronary artery disease, or cardiomyopathy kidney disease, chronic obstructive pulmonary disease (COPD) obesity, which occurs in people with a body mass index (BMI) of 30 or higher sickle cell disease, a weakened immune system from a solid organ transplant and type 2 diabetes. Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness (United Nations, 2020).

When people with COVID-19 breathe out or cough, they expel tiny droplets that contain the virus. These droplets can enter the mouth or nose of someone without the virus, causing an infection to occur. The most common way that this illness spreads is through close contact with someone who has the infection. Close contact is within around 6 feet. The disease is most contagious when a person's symptoms are at their peak. However, it is possible for someone without symptoms to spread the virus. A new study suggests that 10% of infections are from people exhibiting no symptoms. Droplets containing the virus can also land on nearby surfaces or objects. Other people can pick up the virus by touching these surfaces or objects. Infection is likely if the person then touches their nose, eyes, or mouth (WHO, 2020).

3.2 COVID-19 and the Economy

On March 11, 2020, the World Health Organization (WHO) characterized COVID-19 as a pandemic, pointing to over 3 million cases and 207,973 deaths in 213 countries and territories. The infection has not only become a public health crisis but has also affected the global economy. Significant economic impact has already occurred across the globe due to reduced productivity, loss of life, business closures, trade disruption, and decimation of the tourism industry. COVID-19 may be that a "wake-up" call for global leaders to intensify cooperation on epidemic preparedness and provide the necessary financing for international collective action. There has been ample information on the expected economic and health costs of infectious disease outbreaks (phase 2, 3), but the world has failed to adequately invest in preventive and preparative measures to mitigate the risks of large epidemics.

With globalization, urbanization, and environmental change, infectious disease outbreaks and epidemics have become global threats requiring a collective response. International collective action among governments, non-government organizations, and private companies has been

advocated in building and financing technological platforms to accelerate the research on Covid-19 and development response to new pathogens with epidemic potential In the case of COVID-19, such cooperation is critical, especially for the development and production of a vaccine. The Coalition for Epidemic Preparedness Innovations (CEPI), a global partnership launched in 2017, has tracked global efforts in COVID-19 vaccine development activity and is advocating for strong international cooperation to ensure that vaccine, when developed, will be manufactured in sufficient quantities and that equitable access will be provided to all nations regardless of ability to pay (WHO,2020).

Furthermore, affected countries may benefit from exchanging technological innovations in contact tracing, such as health Quick Response (QR) codes, to manage the outbreak more effectively. However, there are important privacy implications that need to be considered. In the case of COVID-19, the collective response and adoption of preventive measures to stop the global spread were implemented too late, after COVID-19 had already penetrated other regions through international travel (WHO 2020).

3.3 Concepts of Unemployment

Unemployment occurs when a person actively searching for employment is unable to find work. Unemployment is often used as a measure of the health of the economy and the number of unemployed people divided by the number of people in the labor force (Dilek, 2016). Unemployment is a key economic indicator because it signals the ability (or inability) of workers to readily obtain gainful work to contribute to the productive output of the economy. High and persistent unemployment can signal serious distress in an economy and even lead to social and political upheaval (David & Vicente, 2012).

Conversely, a low unemployment rate means that the economy is more likely to be producing near its full capacity, maximizing output, and driving wage growth and rising living standards over time. However, extremely low unemployment can also be a cautionary sign of an overheating economy, inflationary pressures, and tight conditions for businesses in need of additional workers (Ozili & Arun, 2020).

While the definition of unemployment is clear, economists divide unemployment into many different categories. The two broadest categories of unemployment are voluntary and involuntary unemployment. When unemployment is voluntary, it means that a person has left his job willingly in search of other employment. When it is involuntary, it means that a person has been fired or laid off and must now look for another job. The corona virus pandemic affecting the world economy, for example, is causing massive levels of involuntary unemployment (Dilek, 2016). Unemployment both voluntary and involuntary can be broken down into four types.

3.4 Frictional unemployment

Frictional unemployment occurs as a result of people voluntarily changing jobs within an economy. After a person leaves a company, it naturally takes time to find another job. Similarly, graduates just entering the workforce add to frictional unemployment. Usually, this type of unemployment is short-lived. It is also the least problematic from an economic standpoint. Frictional unemployment is a natural result of the fact that market processes take

time and information can be costly. Searching for a new job, recruiting new workers, and matching the right workers to the right jobs all take time and effort, resulting in frictional unemployment (Bosworth, Dawkins & Stromback, 1996).

3.5 Cyclical unemployment

Cyclical unemployment is the variation in the number of unemployed workers over the course of economic upturns and downturns, such as those related to changes in oil prices. Unemployment rises during recessionary periods and declines during periods of economic growth. Preventing and alleviating cyclical unemployment during recessions is one of the key reasons for the study of economics and the purpose of the various policy tools that governments employ on the downside of business cycles to stimulate the economy (Bosworth et al, 1996).

3.6 Structural unemployment

Structural unemployment comes about through technological change in the structure of the economy in which labor markets operate. Technological changes such as the replacement of horse-drawn transport by automobiles or the automation of manufacturing lead to unemployment among workers displaced from jobs that are no longer needed. Retraining these workers can be difficult, costly, and time consuming, and displaced workers often end up either unemployed for extended periods or leaving the labor force entirely (Bosworth et al, 1996).

3.7 Institutional unemployment

Institutional unemployment is unemployment that results from long-term or permanent institutional factors and incentives in the economy. Government policies, such as high minimum wage floors, generous social benefits programs, and restrictive occupational licensing laws; labor market phenomena, such as efficiency wages and discriminatory hiring; and labor market institutions, such as high rates of unionization, can all contribute to institutional unemployment (Bosworth et al,1996).

3.8 Covid-19 and Unemployment

The COVID-19 has devastated and thrown the economy into disarray and some of the measures, particularly the closure of nonessential businesses – are having an unprecedented impact on the Nigerian economy. Economic experts said economic activity is going to shrink with the ease of restrictions, but, the rise in aggregate unemployment figure, including, in some of the oil-rich states with high internal revenue and large share of the federal allocation, is worrisome (David & Vicente, 2012).

3.9 Preventive Measures

Some recommendations from the health agencies and even the government agencies include wearing of face mask to cover mouth and nose, washing of hands often with soap and under running water for at least 20 seconds, maintaining social distancing by avoiding close contact with people, cover coughs and sneezes with bent elbow, and clean and disinfect frequently touched surfaces daily with alcohol-based hand sanitizer. In this regard, wearing of face masks in public corresponds to the most effective means to prevent inter-human transmission.

However, the best way to prevent and slow down transmission is to be well informed about the COVID-19 virus, its disease it causes and how it spreads. Most cases of COVID-19 are not serious but can cause symptoms that become severe, leading to death in some cases (WHO, 2020).

High levels of frictional or cyclical unemployment may be remedied by means of fiscal or monetary stimulus that encourages employers to hire more workers and encourages growth. Structural unemployment, however, requires more long-term solutions than merely increasing the amount of cash in an economy, such as skills training and education or increased welfare measures to provide a social safety net.

4.0 THEORETICAL REVIEW

The researcher used some notable unemployment theories to provide an explanation of the reasons for increased unemployment rate in Akwa Ibom State and Nigeria in general.

4.1 Classical School Theory of Unemployment

The essential feature of the theory is that the labor market forces of supply and demand respond to changes in real wages. Thus, unemployment is the consequences of real wages being too high to allow the labor market to deer. Government wage regulation and especially powerful trade unions are identified as significant causal factors. Thus, unemployment in the classical system hangs and not creating markets. The policy implication flowing from classical analysis of unemployment is that in order to reduce unemployment it needs to reduce government regulations and trade union powers to make labor effective (Smith, 1776 cited in Ozili & Arun, 2020).

4.2 New Keynesians Theory of Unemployment

The new Keynesian's theory argued that both information problems, costs, and changing prices of goods and services lead to some price rigidities and as result, create a possibility of fluctuations of employment even when individuals are looking out for their own interest. For example, in the labor market firms that cut wages not only reduce the cost labor but also likely to wind up with poor quality labor force. Thus, they will be reluctant to cut wages. If it is cost for firms to change the prices they change and the wage they pay the change will be infrequent, but if all firms adjust prices and wages infrequently, the economy wide level wages and prices may not be flexible enough to avoid occasional periods of even high unemployment (Darbash, 1981 cited in Dilek, 2016).

4.3 New Classical School Theory of Unemployment

The New Classical School argued based on the assumption of market clearing. "There is no reason why firms or workers would not adjust wages or prices if that would make them better off". Accordingly, prices and wages adjust in order to equate supply and demand in the market. The implication of this assumption is: that there is no possibility for involuntary unemployment. Any unemployed person who really wants job will offer from some employer. Flexible adjustment of wages and price leaves all individuals on work at the going wage and firms can produce and sell as much as they want to the going price.

5.0 METHODOLOGY

The study adopts the survey research design and used the Taro Yammeh formula to determine a sample size of 114 from a population of 160 staff of Zenith Bank PLC, Abak road branch and MB&U Nig. Ltd Efiat street branch in Uyo Metropolis. In analyzing data collated, the study adopted the descriptive statistics and Pearson Product Moment Correlation coefficient (PPMC). Product moment correlation coefficient (r) is given as;

$$r = \frac{n\Sigma xy - \Sigma x \Sigma y}{\sqrt{(n\Sigma x^2 - \Sigma(x)^2)(n\Sigma y^2 - \Sigma(y)^2)}}$$

Where r = Pearson product moment correlation

Σn = numbers of pairs of values

X = independent variable

X = Mean of independent variable

Y = mean of dependent variable

The Decision Rule: If calculated r (rc) ≥ tabled r (rt) – reject Ho and accept H1

If calculated r (rc) ≤ tabled r (rt) – accept Ho and reject H1

Hypothesis 1

H01: Covid-19 significantly has no significant relationship with unemployment rate in Uyo.

Table. 1 PPMC table for hypothesis 1

Variables	N	R	r^2	t-cal	t-tab	d.f	remark
Covid-19 with unemployment rate in Uyo	114	0.67	0.45	12.34	1.96	112	Significant

Decision rule 2023

Result from table.1 shows that r = 0.67 and t-cal value of 12.34 > t-tab value of 1.96, thus, reject the null hypothesis (H01) and accept the alternative hypothesis (H1) which implies that Covid-19 has a significant relationship with the unemployment rate in Uyo.

Hypothesis two

H02: Government programs have not significantly in any way helped in tackling the problems of the unemployment rate in Uyo.

Table. 2 Summarized PPMC table for hypothesis two

Variables	N	R	r^2	t-cal	t-tab	d.f	remark

Programs in tackling the problems of unemployment rate in Uyo	114	0.88	0.77	26.88	1.96	112	Significant

Decision rule   2023

Result from table. 2 shows that r =0.88 and t-cal value of 26.88 > t-tab value of 1.96, thus, reject the null hypothesis (H02) and accept the alternative hypothesis (H2) which implies that Government programs have significantly helped in tackling the problems of unemployment rated in Uyo.

Hypothesis 3

H03: There are no possible measures put forward in ensuring the reduction of unemployment rate in Uyo.

Table. 3 Summarized PPMC table for hypothesis 4

Variables	N	r	r^2	t-cal	t-tab	d.f	remark
Measures put forward in ensuring the reduction of unemployment rate in Uyo.	114	0.57	0.32	1.03	1.96	112	SIGNIFICANT

Decision rule   2023

Result from table.3 shows that r =0.57 and t-cal value of 1.03 < t-tab value of 1.96, hence, reject the null hypothesis (H03) and accept the alternative hypothesis (H3) implying that, there are no possible measures put forward in ensuring the reduction of unemployment rate in Uyo.

6.0 DISCUSSION AND FINDINGS

Findings from the study indicate that the null hypothesis which states that "Covid-19 has no significant relationship with the unemployment rate in Uyo" is not true.

After quantitative testing of the hypothesis, the attendant result shows that Covid-19 has a significant relationship with the unemployment rate in Uyo; hence, the null hypothesis was rejected while the alternative hypothesis was accepted.

In testing the second hypothesis which states that, "Government programs have not significantly in any way helped in tackling the problems of unemployment rate in Uyo" is statistically not true. Rather result shows that Government programs have significantly helped

in tackling the problems of unemployment rate in Uyo. Thus, form the rational for the rejection of the null hypothesis and the acceptance of the alternative hypothesis.

Similarly, result from the test of the third hypothesis shows that the proposed null hypothesis which stated that, "There are no possible measures put forward in ensuring the reduction of unemployment rate in Uyo" is statistically not true. Thus, the stated null hypothesis was rejected while the alternative hypothesis which states that, there are possible measures put forward in ensuring the reduction of unemployment rate in Uyo, was accepted.

7.0 RECOMMENDATIONS

The study recommends that:

   i. Government should create additional jobs to cater for the needs of unemployment. This can be achieved through building of industries and issuing of grant for agricultural development.
   ii. The Unemployed should seek out means for self-employment with something dignified through relevant skill acquisition while waiting for other forms of employment in the States
   iii. There should be tailoring hub to train and meet the distinct need of different groups of young people.

8.0 CONCLUSION

Based on the findings of the study, it was concluded that there is a significant relationship between Covid-19 and Unemployment rate in Uyo metropolis. Based on the study, sources revealed that the rate of unemployment was not as much as it was during and after the pandemic. The rate of unemployment in Uyo skyrocketed to 32.3% from 27.3% according to National Bureau of statistics NBS. These figures showed a 0.086 increase within the period of the pandemic according to the study the rapid rise in the unemployment rate was because companies and firms could no longer hold the large size of the employees they had before the Covid-19 period. Findings also showed that Covid-19 expedited unemployment rate in Uyo and the government has not enacted programs to cater for the teeming rate of unemployment in the States this was shown in table.2.

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