

CORONA VIRUS PANDEMIC ON MICRO, SMALL AND MEDIUM SCALE BUSINESSES (MSMEs) IN NIGERIA

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Abstract

This study has empirically investigated the effect of Corona Virus (COVID-19) pandemic on Micro, Small and Medium Scale Businesses (MSMEs) in Nigeria with reference to Edo state. The study was guided by four objectives in the areas of continuity, revenue, demand for orders and labour force of the MSMEs. A cross-sectional survey design was used. The questionnaire was used to solicit data from the respondents (MSMEs owners). A total of six hundred (600) respondents were randomly selected across the three senatorial districts in the state (two hundred from each district- the surveyed areas are Auchi in Edo north, Uromi and Ekpoma in Edo central and Benin city in Edo south) The questionnaires were analyzed using Likert scales. Descriptive statistics (frequency and percentage) were used to analyze the socio-demographic variables and the objectives of the study. From the study, it was clear that the lockdown due to Covid 19 has negatively affected the continuity, revenue, demand for orders and labour force of the MSMEs in Edo state. It was recommended that the state government should suspend the collection of taxes

and levies from these MSMEs owners for fast recovering from the losses occasioned by the Covid 19.

Keywords: Coronavirus, Medium Scales, Micro Scale, Business, Pandemic,

Introduction

The Coronavirus popularly called Covid-19 Started from China in December 2019, spread rapidly to Europe, North America and even Africa in early 2020. The COVID-19 affected most Latin America countries. It spread to over 216 countries and territories around the world and induced the most economic/financial downturn since the Great depression of 1930s (World Health Organization, 2020; International Monetary Fund, 2020) .With the largest population in Sub Sahara Africa (SSA), and to the rest of the world, it seemed to be only a matter of time before the pandemic would reached Nigeria. On the 27th February 2020, Nigeria recorded the first confirmed case of the disease (NCDC 2020), after which the disease incidence grew in Lagos and Ogun states and the Federal Capital Territory (FCT) Abuja. The arrival of the pandemic led to the lockdown of the country in March 27th same year leading to a shutdown in most government and individual activities which affected the socioeconomic and sociopolitical activities of the economy and more on micro, small and medium scale businesses with low GDP. The pandemic has given virtually every one more than enough challenges to grapple with. Schools, cinemas, entertainments centers, eateries worships centers, beer parlours and so on, were all closed down between three to six months, leaving business owners to their faith. Nigeria is one of the largest economy in Africa and even though it relies majorly on oil, the economy is largely sustained by Micro Small and Medium Scale Enterprises (MSMEs). MSMEs in Nigeria are non-subsiary, independent organizations which employ fewer numbers of employees with an annual turnover not exceeding Five Hundred million Naira (N500,000,000) (Bank of Industry,2020). The attraction to the owners of MSMEs in Nigeria lies in the fact that these kinds of businesses are less capital intensive as well as highly flexible in filling the need in various niche markets. As much as these small businesses are often neglected by the bigger players in the game, they are quite literally the backbone of practically all developed and developing economies because they contribute immensely to employment, economic and export growth in these economies. MSMEs in Nigeria contribute a whopping 48% of our national GDP, account for 96% of businesses and provide for 84% of employment of the citizens. With a total number of about 17.4 million, they account for about 50%

of industrial jobs and nearly 90% of the manufacturing sector, in terms of the number of enterprises (Onyinyechukwu 2020). According to the 2010 Survey report on MSMEs in Nigeria conducted by the National Bureau of Statistics, the MSMEs sector in Nigeria is strategically positioned to absorb up to 80 percent of jobs, improve per capita income, increase value addition to raw materials supply, improve export earnings, enhance capacity utilization in key industries and unlock massive economic expansion and GDP growth. According to National Bureau of Statistics (2020) Nigeria's unemployment rate rose to 27.1% and underemployment rose to over 25 million Nigerians currently unemployed. Considering the vital roles MSMEs play in Nigerian economy in the provision of employment, revenue generation and so on, it is better imagined the effect of Covid-19 pandemic on Nigerian economy and especially the MSMEs. With domestic and international restrictions on movement hampering full socioeconomic and socio-political activities, most of these MSMEs businesses have to stop or operate at a very minimal rate. Productivity has become low, leading to drop in revenue but not in same proportion with expenses and number of staff. The effects of this pandemic on MSMEs in Nigeria may linger for long especially with little or no government support in sight, hence, the need to evaluate the effect of this pandemic on MSMEs in Nigeria using Edo state as a case in point.

Statement of Research Problem

The coronavirus (COVID-19) outbreak is causing a global health emergency, and a global economic/financial slowdown. Trade, investment, growth, and employment are all affected and the crisis will have an impact on the MSMEs. MSMEs play a vital role for economic growth and development of both developed and developing economies. They (MSMEs) are vital engine in any economy, since they drive growth, create employment - especially among youth - and spear head innovations. But how have the MSMEs felt in the face of the coronavirus pandemic? There are several ways the coronavirus pandemic affects the Small and Medium Enterprises. But how has the pandemic affected the continuity, revenue, demand for order and labour force of MSMEs in Nigeria is the aim of this study.

Objectives of the Study

The main objective of this study is to examine the effect of coronavirus pandemic on micro, small and medium scales businesses in Nigeria, Specifically, the objectives of the study are to:

- evaluate the effect of coronavirus pandemic on MSMEs continuity

- determine the effect of coronavirus pandemic on MSMEs revenues
- examine the effect of coronavirus pandemic on MSMEs demand for orders
- evaluate the effect of coronavirus pandemic on MSMEs labour force

Concept of Micro, Small and Medium Scale Businesses

Conceptualizing MSME can be challenging as the term includes a wide array of definitions globally. When conceptualizing MSMEs, countries and businesses often at times use their own judgment, using the asset value of the company, number of people employed, annual turnover generated. According to Bank of Industry (BOI) (2020), Micro, Small and Medium Scale business is any business or enterprise with employees range of less than or equal to 200 total asset of less than or equal to N500 million, annual turnover of less than or equal to N500 million and loan level of less than or equal to N500 million.

Enterprise Category	Number of Employees	Total Asset (N'Million)	Annual Turnover (N'Million)	Loan Amounts (N'Million)
Micro	≤ 10	≤ 5	≤ 20	≤ 10
Small	>11 ≤ 50	> 5 ≤ 100	≤ 100	>10 ≤ 100
Medium	> 51 ≤ 200	> 100 ≤ 500	≤ 500	>100 ≤ 500

Source : *BOI 2020*

Micro, Small and Medium scale businesses orientation are part and parcel of Nigeria. Evidence abound in our respective communities of what successes our great grand parents made of their respective trading concerns; yam barns, iron smelting, farming, cottage industries and the likes. So the secret behind their successes of self-reliant strategy does not depend in any particular philosophy, so much as in the people's attitude towards enterprising and if the right incentive is adequate enough to make risk worthy ventures and decisions worth taking. (Ayozie, Oboreh, Umukoro & Ayozie, 2013).

MSMEs have a lot of important contributions to make to the economic development of the country. Shokan, (2000) enumerated some of them as follows: The provision of employment amongst the youth so innovative areas marketing for goods and services which are offered for sales. A lot of youths, retired workers and out of school graduates, are now gainfully employed, thereby reducing the unemployment rate, and its attendant social complication of social vices. It helps to bring

about new goods and services and supply the needs of large industries, who have to rely on the small scale operators for business success. It satisfies the convenience of consumers at any given time, with the availability of products. They represent the overwhelming majority of industrial capacity in developing countries. A fact confirmed by Ajayi (2000), Ayozie, Daniel , et al (1997) and Onwuchruba (2001), where it was postulated that micro small and medium scale business in Nigeria constitute over 80 percent of all registered companies, occupying positions in agro based and allied industries, rubber based, leather shoes industries, chemical, electronics, general merchandising, restaurants, dress making, hair dress making, cane-chairs, leather products, pomade and toiletries, animal feeds and husbandry, printing, are mostly MSMEs. They promote the development of indigenous manpower as well as increasing local participation in the manufacturing sector (Ayozie, Oboreh,Umukoro & Ayozie, 2013).

The Economic and Social Importance of MSMEs in Nigeria

MSMEs generate employment for a lot of Nigerians. A lot of unemployed people and youths, have found employment in MSMEs. A number of retail shops, cottages, restaurants, poultry farms, and telecommunication/telephone services have been established and managed profitably by Nigerians who would have been unemployed till date. The entrepreneurs have in turn provided jobs for other Nigerians, who serves as support, technical and administrative staffs for them. It has encouraged self-employment for many youths both in the rural and urban areas. Today, the spirit of successful entrepreneurship is on course in Nigerians, who believe in themselves and in the goal of self-employment, under minding white jobs that may never come. In telephone retails and rental jobs, a lot of youths have remained self-employed. Their businesses have also expanded and today, they are employers of labour as well. Through, the establishment of manpower development support schemes, and their involvement in the training and retraining of entrepreneurs, MSMEs have provided a pool of potential entrepreneurs and business people who are well equipped to start and successfully manage businesses. Whether small or large, not only in Nigeria, but in overseas. Successful business people in Nigeria like Aliko Dangote, the Ibrus, Mike Adenuga, Illodigwe and Dantata started as MSMEs, before the growth of their various businesses into conglomerates. MSMEs have reduced the dependence on government and large firms on salaried employment. This is supported from the liberalisation policy of the established to provide support staff and

employment for Nigerians. (For example, MTN, GLOBACOM, CELTEL and many private universities).

MSMEs have galvanized rural development and the achievement of a meaningful level of broad economic and rural development. To moderate the migration from rural to the urban centers, some infrastructural facilities which promoted MSMEs are being provided in the rural areas, such as the provision of access road, increased improvement in communication facilities like telephone, postal services and the internet facilities, construction of industrial layouts and estates, and the provision of electricity and water expansion schemes (Ayozie, Oboreh, Umukoro & Ayozie, 2013).

Empirical Studies

Imanche, Tian, Tasinda, and Salisu (2020) studied effect of covid-19 pandemic on small and medium scale businesses in Nigeria. The study examined the effect of COVID-19 Pandemic on SMEs in Nigeria. The implication of COVID-19 Pandemic on Nigeria's economy, and measures that have been put in place to abate these effects were addressed. The study used secondary data and content analysis. The study revealed that the interruption of movement, the reduction in consumer spending power, and decrease in imports negatively affected Nigerian SMEs. However, there are government policies set in place to protect SMEs, but it is essential for more efforts and interventions to enable them to survive the consequence of the pandemic.

Aladejebi (2020) studied managing small businesses in Nigeria during Covid-19 crisis: Impact and survival strategies. The study scrutinized the impact and survival strategies for small and medium enterprises (SMEs) in Nigeria during the ongoing COVID-19 crises. The study adopted a quantitative research technique. Questionnaires were distributed to 360 SME owners in Lagos (60 each) in six commercial areas, namely Aspanda/Alaba, Surulere, Lagos Island, Ikeja, Ikoyi/Victoria Island and Yaba. 342 of the 360 questionnaires were viable. The respondents observed that the COVID-19 Pandemic's impact includes a reduction in revenue, reduced staff salaries, and government not doing enough to curtail the spread of the Pandemic. Significant problems faced by SMEs are the inability to repay loans, rent, and salaries.

[Falokun](#) (2020) studied impact of covid-19 on micro, small and medium-sized enterprises in Nigeria. The study navigated the economic disruptions resulting from Covid-19 and how the impacts affect their decisions and prospects. The study conducted a survey to (a) ascertain how the MSMEs are coping this period (b) assess the current level of financial fragility among MSMEs (c) ascertain measures taken to adjust to the realities of the period (d) ascertain the types of support needed to survive even after the crisis period. The results revealed that there have been enormous dislocation among small businesses with many businesses becoming financially fragile and considering layoffs. MSMEs see great value in collaboration and partnerships. Majority of the businesses see funding as a major support needed.

Aderemi, Ojo, Ifeanyi and Efunbajo (2020) studied the impact of corona virus (Covid-19) pandemic on small and medium scale enterprises (SMEs) in Nigeria: A perilous case study. The aim of the study was to investigate the impact of COVID-19 pandemic on selected small and medium enterprises in Nigeria, with a view to ascertaining the impact of lockdown on SMEs engaging in three essentials- food and consumables, pharmaceuticals, oil and gas in Sango-Ota industrial area of Ogun state, Nigeria. Data were collected with the administration of structured set of questionnaire on 100 SMEs which were selected purposively. Findings from the analysis showed that the enterprises experienced moderate reduction in production and sales during the lockdown. However, the surveyed enterprises experienced a spike in reduction of contracts and deliveries.

Corti, Nathan, Brian, Rehema and Ezra (2020) studied how the COVID-19 pandemic has impacted Ugandan businesses. Results from a business climate survey. The study was based on a survey of firms using the Economic Policy Research Centre (EPRC) s business climate index (BCI) methodology, examined the effect of the risk presented by COVID-19 pandemic on Uganda s businesses. The results indicated that small and medium businesses have experienced the largest effects of the risk associated with COVID-19 compared to large scale businesses. The decline in small and medium businesses is due to inability to cope containment measures instituted by government. Specifically, nine out of ten businesses report experiencing an increase in operating expenses due to preventive measures instituted by government to curb the spread of the virus. Agriculture enterprises have been worst hit due to challenges of accessing inputs arising from

transport restrictions and the ban on weekly markets. In addition, prices of agricultural outputs have declined due to lost demand and the shift from consumption of fresh agricultural produce to dry rations. With respect to the future outlook, the major concerns highlighted by businesses in the event that the COVID-19 situation persists for more than six months relate to reduced product demand and potential inability to meet costs of operations. In particular, majority of micro and small businesses indicated that they would exit business in 1 to 3 months in the event the current situation persist. On the other hand, majority of the medium and large firms do not foresee closure. Furthermore, there is a slightly higher resilience among agriculture and manufacturing firms compared to service sector firms. Finally, the report projects that in the event that COVID-19 persists for the next six month, about 3.8 million workers would lose their jobs temporarily while 0.6 million would lose their employment permanently. Over 75 percent of employees projected to lose their jobs permanently are from the service sector and mainly from Kampala.

Methodology

The study used a cross-sectional survey design conducted among MSMEs in Edo state. For data collection, questionnaire was developed to answer the research objectives. The questionnaire had five sections. The first section contained socio-demographic details of respondents while sections two to five covered the research objectives. A total of six hundred (600) respondents were randomly selected across the three senatorial district in the state (two hundred from each district- the areas surveyed are Auchi in Edo north, Uromi and Ekpoma in Edo central and Benin city in Edo south) The questionnaires were based on Likert scaling as this proved to be most appropriate for the study because it is one of the most frequently used numerical scales to measure attributes and behaviors in an organizational research (Sekaran & Bougie, 2010). The content validity was used to determine the validity of the instrument while Cronbach's Alpha was used to determine the reliability of the study which gave 0.72 (72%) which means that there is consistency in the instrument. Descriptive statistics (frequency and percentage) was used to analyze the socio-demographic variables and the objectives of the study.

Results Presentation and Analysis

A total of six hundred (600) questionnaires were administered and five hundred and eighty (580) questionnaires were duly completed and retrieved back after careful monitoring and supervision. This represents 97% response rate.

Table 1 : Bio-data result

Variable	Frequency	Percentage
Gender: Male	218	37.6
Female	362	62.4
Age: 21-30	154	26.6
31-40	158	27.3
41-50	211	36.4
above 50	56	9.7
Education: No Formal Education	51	8.8
Primary Six	48	8.3
WAEC	103	17.8
NCE/OND\	179	30.9
HND/B.Sc	158	27.2
Master and Above	41	7.1
Total asset: less than N5m	312	54.0
N5m to N100m	218	37.7
N100m to N500m	48	8.3
Ownership structure: sole proprietorship	289	50.3
Partnership	210	36.5
private limited company	76	13.2
public limited company	0	0

Source: *Researcher's computation 2020*

The results in table 1 reveal that, out of the five hundred and eighty MSMEs who returned their questionnaire, two hundred and eighteen representing 37.6% are male MSMEs owners while three hundred and sixty two representing 62.4% are female entrepreneurs. This indicates that there are more female MSMEs owners in Edo state when compared to their male folks.

The result also reveals that MSMEs owners within the age bracket of 21-30 are one hundred and fifty four representing 26.6%, those within the age bracket of 31-40 are one hundred and fifty eight representing 27.3% , those within 41-50 years of age are two hundred and eleven representing 36.4% while those above 50 years of age are fifty six representing 9.7%.This indicates that most of the MSMEs owners in Edo state are within the age brackets of 41-50 of age.

For education, the result reveals that, no-formal education MSMEs owners are 51 representing 8.8%, Primary six holders are forty eight representing 8.3%, SSCE/WAEC are one hundred and three representing 17.8%, OND/NCE holders are one hundred seventy nine representing 30.9%, HND/B.Sc have one hundred and fifty eight representing 27.2% while Masters and above are forty one representing 7.1%. This indicates that most of the MSMEs owners are NCE/OND holders.

For total Asset, the result reveals that most of the MSMEs owners of asset base is below N4 million. This means that there are more of micro enterprises than small and medium scale enterprises. A breakdown of the result indicates that MSMEs with less than N5million are three hundred and twelve representing 54.0%, between N5 million to N100 million are two hundred and eighteen representing 37.7% and N100 to N500 million are forty eight representing 8.3%.

For ownership structure, the result reveals that most of the MSMEs is sole proprietorship in structure. A breakdown of the result indicates that: sole proprietorship has two hundred and eighty nine representing 50.3%, Partnership has two hundred and ten representing 36.5%, private limited company has seventy six representing 13.2% and public limited company has none within the time and space covered.

Table 2: Section B: questions on effect of coronavirus pandemic on MSMEs continuity

s/n	Questions	TLE	TME	TSE	NAA
1	lockdown due to COVID- 19 pandemic has reduced my deliveries (%)	238 (41.0)	271 (46.7)	61 (10.5)	10 (1.7)
2	lockdown due to COVID- 19 pandemic has reduced demand for orders (%)	233 (40.2)	269 (46.4)	71 (12.2)	7 (1.2)
3	lockdown due to COVID- 19 pandemic has reduced my revenues (%)	231 (39.9)	291 (50.3)	52 (9.0)	5 (.9)
4	lockdown due to COVID- 19 pandemic has led to the downsizing of workforce (%)	109 (18.8)	109 (31.2)	271 (46.7)	19 (3.3)

5	lockdown due to COVID- 19 pandemic has led to difficulty in payment of workers' salaries (%)	215 (37.5)	241 (42.0)	99 (17.3)	19 (3.3)
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Source: *Researcher's computation 2020*

The results in table 2 reveal that, 41.0% of the MSMEs believed that lockdown due to COVID- 19 pandemic has reduced their deliveries to a large extent, 46.7% believes it reduced their deliveries to moderate extent, 10.5% believed it reduced their deliveries to slight extent while 1.7% believed that it did not reduce their deliveries at all. In same vein, 40.2% believes that lockdown due to COVID- 19 pandemic has reduced demand for orders to a large extent, 46.4% says to a moderate extent, 12.2% says to a slight extent and 1.2% says not at all. Also, 39.9% believed that lockdown due to COVID- 19 pandemic has reduced their revenues to a large extent, 50.3% says to a moderate extent, 9.0% says to slight extent and 0.9% says no effect on their revenues. Also, 18.8% said that lockdown due to COVID- 19 pandemic has led to the downsizing of workforce to a large extent, 31.2% say to moderate extent, 46.7% says to slight extent and 3.3% says it did not affect their workforce at all. For difficulty in paying salaries, 37.5% says lockdown due to COVID- 19 pandemic has led to difficulty in pay workers salaries to a large extent, 42.2% says to a moderate extent, 17.3% says to a slight extent and 3.3% said it did not affect the payment of workers salaries at all.

Table 3: Section C: questions on effect of coronavirus pandemic on MSMEs revenues

s/n	Questions	TLE	TME	TSE	NAA
1	lockdown due to COVID-19 pandemic has reduced my sales (%)	209 (36.4)	271 (47.2)	86 (15.0)	8 (1.4)
2	lockdown due to COVID-19 pandemic has increased my losses (%)	211 (36.8)	225 (39.2)	127 (22.1)	11 (1.9)

3	lockdown due to COVID-19 pandemic has led to a drop in customer orders (%)	221 (38.5)	271 (47.2)	75 (13.1)	7 (1.2)
4	lockdown due to COVID- 19 pandemic has led to shortage in cash flow leading to loss of revenue (%)	214 (37.3)	255 (44.4)	100 (17.4)	5 (.9)
5	COVID- 19 pandemic has led increase of expenses because of the provision of personal protective equipment for workers (%)	185 (32.2)	241 (42.0)	131 (22.8)	17 (3.0)

Source: *Researcher's computation 2020*

The results in table 3 reveal that 36.4% says that lockdown due to COVID-19 pandemic has reduced their sales to a large extent, 47.2% says it has, to a moderate extent, 15.0% says it has to a slight extent and 1.4% said it has not reduced their sales at all. Also, 36.8% says that lockdown due to COVID-19 pandemic has increased their losses to a large extent, 39.2% says it has, to moderate extent, 39.2% says to a slight extent and 1.9% says it did not increase their losses at all. For drop in customer orders, 38.5% says that lockdown due to COVID-19 pandemic has led to a drop in customer orders to a large extent, 47.2% says to a moderate extent, 13.1% says to slight extent and 1.2% says it did not drop their customer orders at all. For loss of revenue, 37.3% says that lockdown due to COVID- 19 pandemic has led to shortage in cash flow leading to loss of revenue to a large extent, 44.4% says to a moderate extent, 17.4% says to a slight extent and 0.9% says it did not lead to loss of revenue at all. For increase of expenses because of the provision of personal protective equipment for workers, 32.2% says it has to a large extent, 42.0% says to moderate extent, 22.8% says to slight extent and 3.0% says not at all.

Table 4: Section D: questions on effect of coronavirus pandemic on MSMEs demand for orders

s/n	Questions	TLE	TME	TSE	NAA
1	lockdown due to COVID- 19 pandemic has reduced deliveries (%)	228 (39.6)	258 (44.8)	79 (13.7)	11 (1.9)
2	lockdown due to COVID-19 pandemic has reduced contracts (%)	217 (37.8)	249 (43.4)	91 (15.9)	17 (3.0)
3	lockdown due to COVID-19 pandemic has decreased sales (%)	239 (41.6)	251 (43.7)	75 (13.1)	9 (1.6)
4	State border closure has made it difficult for orders from customers (%)	227 (39.5)	251 (43.7)	86 (15.0)	10 (1.7)
5	lockdown due to COVID-19 pandemic has led to closure of outlets or retail shops (%)	124 (21.4)	251 (43.3)	156 (26.9)	43 (7.4)

Source: *Researcher's computation 2020*

The results in table 4 revealed that 39.6% says that lockdown due to COVID- 19 pandemic has reduced deliveries to a large extent , 44.8% says to a moderate extent, 13.7% says to a slight extent and 1.9% says it has not reduced deliveries at all. For reduction in contracts, 37.8% says it has to a large extent, 43.4% says to a moderate extent, 15.9% says to slight extent and 3.0% says it has not at all. For decrease in sales, 41.6% says it has to a large extent, 43.7% says to moderate extent, 13.1% says to a slight extent and 1.6% says not at all. For difficult for orders from customers, 39.5% says it has to a large extent, 43.7% says to a moderate extent, 15.0% says to a slight extent and 1.7% says not at all. For closure of outlets or retail shops, 21.4% says it has to a large extent , 43.3% says to a moderate extent , 26.9% says to a slight extent and 7.4% says not at all.

Table 5:Section E: questions on effect of coronavirus pandemic on MSMEs labour force

s/n	Questions	TLE	TME	TSE	NAA
1	lockdown due to COVID-19 pandemic has lower number of temporary workers working with me (%)	99 (17.2)	261 (45.3)	195 (33.9)	21 (3.6)
2	lockdown due to COVID-19 pandemic has reduced working hours	178 (30.7)	249 (43.0)	119 (20.6)	33 (5.7)

	(%)				
3	lockdown due to COVID-19 pandemic has reduced production (%)	219 (37.8)	249 (42.9)	105 (18.1)	7 (1.2)
4	lockdown due to COVID-19 pandemic has led to laying off some permanent staff (%)	98 (17.1)	226 (39.4)	231 (40.2)	19 (3.3)
5	There is shortage of workers in my business because of fear of infection (%)	87 (15.2)	200 (34.8)	248 (43.2)	39 (6.8)

Source: *Researcher's computation 2020*

The results in table 5 reveals that 17.2% says that lockdown due to COVID-19 pandemic has lower number of temporary workers within the organization to a large extent, 45.3% says to a moderate extent, 33.9% says to a slight extent and 3.6% says not at all. For reduction in working hours, 30.7% says it has to a large extent, 43.0% says to a moderate extent, 20.6% says to a slight extent and 5.7% says not at all. For reduction in production, 37.8% says it has led to reduction in production to a large extent, 42.9% says to a moderate extent, 18.1% says to a slight extent and 1.2% says not at all. For laying off some permanent staff, 17.1% says it has to a large extent, 39.4% says to a moderate extent, 40.2% says to a slight extent and 3.3% says not at all. For shortage of workers in their business because of fear of infection, 15.2% says it has to a large extent, 34.8% says to a moderate extent, 43.2% says to a slight extent and 43.2% says not at all.

Conclusion and Recommendations

Micro, Small and Medium Scale Businesses have been the engine room of all economies be it developed or developing, especially in the area of employment generation but the Covid 19 came to be a clog in the wheel of the growth of these MSMEs in Nigeria. With it attendant effect on the mono economy of Nigeria, this study analyse the effect of Covid 19 in MSMEs in Nigeria with special reference to Edo state. From the study it is clear that the Covid 10 pandemic has adversely affected the MSMEs in Edo state to a moderate level in terms of continuity, revenues, demand for orders and labour force and this has affected the revenue of the state in terms of taxes and levies these MSMEs pay to the state. It has also affected the economic activities of the state. From the study, it could be recommended, that the state government should suspend the issues of taxes and levies paid by these MSMEs in- order to reduce their losses and expenses pending when the lockdown is finally lifted. Secondly, the state government should work with the commercial banks

to restructure the loan portfolio of the MSMEs who have taken loans from the banks in-order to give them a little repayment breath.

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