

## **WOMEN INFORMAL BUSINESS PERSONS AND THE IMPACT OF COVID-19 IN TARABA STATE, NIGERIA**

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### **Abstract**

COVID-19 pandemic and the lockdown policy it engendered restricted the entrepreneurial freedom and skills promoted by the neoliberal market structure. It also undermined the strings of social networks and collective organization which protect the individual informal workers, particularly women in the peri-urban areas. Using the qualitative dominant methods, this research probed into the effects of COVID-19 pandemic on informal women workers in peri-urban communities in Nigeria. The study argued that the COVID-19 pandemic and the accompanying lockdown devastated the informal economic activities of women in peri-urban areas due largely to lack of social protection programmes to support vulnerable populations. It also undermined Nigeria-Cameroon trade relation which is a major source of livelihood for most people, reduced the personal income of informal workers in the peri-urban areas and government revenue in Taraba State. The paper concluded that providing financial capital, material palliatives and affordable social protection facilities to informal women workers in peri-urban communities is relevant for sustainable economic development in Nigeria.

**Keywords:** Women entrepreneurs, informal economy, COVID-19, Taraba State, Nigeria

### **Introduction**

On 11 March 2020, the World Health Organisation (WHO) declared the novel coronavirus (COVID-19) outbreak a global pandemic. As the virus made its way across the globe, it induced radical shifts in the ways we interact, learn, carry out business activities, work and co-exist with a new way of living and doing things including the mandatory wearing of face masks and the practice of hand hygiene. Far from just a health crisis, the secondary effects of the COVID-19 pandemic have caused substantial damage to the global economy (Abdulmajeed, Adeleke & Popoola, 2020). COVID-19 pandemic has had a profound impact on the global economy, extending beyond the immediate health crisis (Aborode, Ogunsola, & Adeyemo, 2021). Economic recession, stock market volatility, trade disruptions, fiscal challenges, widening inequality, and disruptions in education are among the notable consequences. The COVID-19 pandemic presents an unprecedented challenge in many ways.

First, it threatens millions of people's lives all over the world. As of the end of 2021, it has already taken a death toll of almost four million people worldwide, (Worldometers, 2021). As of 24 May 2023, there have been 766,895,075 confirmed cases of COVID-19, including 6,935,889 deaths, reported to World Health Organisation (WHO, 2023). When Nigeria recorded its index case of Coronavirus (COVID-19) on February 27, 2020, it was thought that the disease would be more of a medical concern, which would have an overwhelming effect on health institutions,

stretching the carrying capacity of health infrastructural facilities and personnel beyond limit (NCDC, 2020). As of May 10, 2023, there have been over 11,000 confirmed deaths and over 300,000 confirmed cases in the country (Nigeria Centre for Disease Control

(NCDC) 2021; Africa CDC, 2023). However, as the disease began to spread, governments at all levels began to adopt public health measures to curtail the spread. At first, the social distancing guidelines, taken to contain the virus, affected businesses especially, SMEs sector, an area where physical proximity often matters and a sector that depends more on micro and small businesses than the manufacturing sector.

The informal sector plays a crucial role in Nigeria's economy, providing employment for millions, especially women. Many women in Taraba State rely on informal businesses such as petty trading, tailoring, food processing, and services. These businesses are characterized by small-scale operations, lack of formal registration, and limited access to financial resources.

However, the outbreak of the COVID-19 pandemic disrupted economic activities globally, and women in the informal sector were among the hardest hit. The lockdowns, movement restrictions, and market closures affected sales, supply chains, and household income. Many informal businesses in Taraba State struggled to survive, with some shutting down permanently.

This paper investigates the impact of COVID-19 on women informal businesspersons in Taraba State, analyzing the challenges they faced, coping strategies they adopted, and the effectiveness of government interventions.

### **Statement of the Problem**

Women's informal businesses in Taraba State were already vulnerable due to limited access to capital, unstable markets, and lack of social protection. The COVID-19 pandemic exacerbated these vulnerabilities through:

Market disruptions – Lockdowns and social distancing reduced customer traffic.

Supply chain issues – Difficulty in obtaining raw materials and goods.

Financial difficulties – Loss of income and inability to access credit.

Given these challenges, this paper seeks to assess how women entrepreneurs in the informal sector coped and whether government policies provided adequate relief.

### **Research Objectives**

The paper aims to:

1. Examine the impact of COVID-19 on women's informal businesses in Taraba State.
2. Identify coping strategies used by women entrepreneurs to sustain their businesses.
3. Analyze the role of government interventions in supporting informal businesses.

### **Research Questions**

This paper seeks to answer the following questions:

1. How did COVID-19 affect women informal business sector in Taraba State?
2. What strategies did women adopt to sustain their businesses?
3. What were the effects of government policies on informal businesses?

### **Review of Literature**

#### **Concept of Informal Business**

The informal sector consists of businesses that operate outside formal regulations and government oversight. These businesses typically lack legal recognition, access to financial

services, and social security benefits (ILO, 2020). In Nigeria, the informal sector contributes significantly to the economy, accounting for approximately 65% of employment (World Bank, 2020). Women constitute a large portion of informal entrepreneurs, engaging in activities such as petty trading, tailoring, food processing, and other small-scale enterprises.

Despite their economic contributions, informal businesses face numerous challenges, including limited access to credit, inadequate infrastructure, and regulatory constraints (Gbandi & Amissah, 2014). These challenges became more pronounced during the COVID-19 pandemic, which led to market closures, supply chain disruptions, and declining consumer demand.

### **Women in the Informal Economy**

Women play a crucial role in the informal economy, often engaging in businesses that provide for their families and communities. According to the International Labour Organization (2020), women in the informal sector face gender-specific barriers, such as:

Lack of financial inclusion – Women struggle to access credit due to lack of collateral.

Domestic responsibilities – Balancing business with household duties limits growth.

Market discrimination – Women face difficulties in scaling their businesses.

The COVID-19 pandemic worsened these challenges as women's businesses were disproportionately affected by lockdown measures (Olaoye & Omotosho, 2021). Studies show that many women entrepreneurs experienced income losses of up to 70% and struggled to recover due to a lack of government support.

### **Impact of COVID-19 on Informal Businesses**

Several studies have examined the effects of the COVID-19 pandemic on informal businesses worldwide. Alon et al. (2020) found that women entrepreneurs in developing economies experienced greater financial setbacks than men due to their concentration in high-contact businesses such as retail and personal services.

In Nigeria, the National Bureau of Statistics (2021) reported that:

Over 80% of informal businesses suffered revenue losses.

65% of women-owned businesses faced supply shortages.

50% of women entrepreneurs used personal savings to sustain their businesses.

In Taraba State, many women traders experienced food supply disruptions, price inflation, and decreased customer purchasing power. These economic shocks forced some businesses to shut down, while others adapted by adopting new business strategies.

### **Theoretical Framework**

#### **Resilience Theory**

Resilience theory examines how individuals and communities adapt to crises (Holling, 1973). Women informal businesspersons in Taraba State demonstrated resilience by adopting new business strategies, such as online sales and alternative supply networks.

#### **Government Policies and Interventions**

The Nigerian government implemented several measures to cushion the economic impact of COVID-19, including:

Survival Fund Initiative – Provided financial aid to small businesses.

Central Bank of Nigeria (CBN) COVID-19 Loan – Offered credit to micro-enterprises.  
TraderMoni and MarketMoni Schemes – Targeted small-scale traders, particularly women.  
However, studies (World Bank, 2021) indicate that many informal businesswomen in rural areas, including Taraba State, were unable to access these benefits due to bureaucratic challenges and lack of awareness.

Existing literature confirms that women informal businesspersons were among the hardest hit by COVID-19. The crisis exposed vulnerabilities in the informal economy, emphasizing the need for inclusive financial policies and better government support. This study builds on these findings by providing empirical evidence from Taraba State.

### **Methodology**

This study adopts a mixed-methods research design, combining both quantitative (survey) and qualitative (case studies, interviews) approaches. The mixed-methods approach allows for a more comprehensive analysis of the impact of COVID-19 on women informal businesspersons in Taraba State.

Quantitative data was collected through structured surveys to determine the financial and operational impact of the pandemic on businesses. Qualitative data was gathered through in-depth interviews and case studies to understand personal experiences, coping strategies, and challenges faced by women entrepreneurs. The population of this study comprises women informal businesspersons in Taraba State, particularly those engaged in petty trading, tailoring, food processing, and small-scale services.

A total of 100 women entrepreneurs were selected using purposive sampling. This technique was used to focus on women whose businesses were significantly affected by COVID-19.

50 respondents were selected from urban areas (e.g., Jalingo, Wukari).

50 respondents were selected from rural areas (e.g., Takum, Bali).

Both descriptive and inferential statistics were used to analyze the data:

Descriptive statistics (percentages, mean, and frequency distribution) were used to summarize survey results. Inferential statistics (chi-square test, correlation analysis) were used to identify relationships between business performance and COVID-19 restrictions.

Thematic analysis was applied to qualitative data, identifying recurring themes from interviews and case studies.

### **Presentation of Data and Analysis**

The paper analyzes empirical data on the impact of the COVID-19 pandemic on women engaged in informal work in Taraba State. The findings are organized into key themes that address the study's objectives, focusing primarily on how the pandemic disrupted economic activities for women in the informal sector. Despite low infection rates, stringent lockdown measures severely affected livelihoods, especially in communities like Nukkai in Jalingo LGA, where traditional trade was disrupted, limiting market access and reducing income flow.

The chapter highlights that informal workers, particularly women, experienced a significant decline in earnings, with global and African statistics showing up to an 81% wage reduction (Babatunde, 2020; Samson, 2020). Interviews with state officials revealed that the lockdown

disproportionately affected young adults aged 18–50, many of whom are informal workers contributing significantly to the state’s GDP. Government restrictions such as travel bans and market limitations also hindered revenue generation and financial circulation.

The data reveals a deepening of existing socio-economic vulnerabilities, with women being particularly affected due to their dominance in the informal sector, including agriculture and small-scale trading. Despite limited education and financial access, women have long sustained households and played essential roles in local economies. However, the pandemic intensified their marginalization by cutting off their income sources and pushing them further into poverty. Overall, the chapter underscores the essential contributions of women in the informal economy and how COVID-19-induced lockdowns destabilized their livelihoods. It stresses the need for targeted interventions to protect informal workers, particularly women, and ensure resilience in future economic disruptions.

The government of Taraba State implemented lockdowns and movement restrictions in line with national directives to curb COVID-19. This severely affected women in the informal sector, who experienced a sharp decline in income and economic activities due to border closures, travel restrictions, and increased living costs. Many of these women are key breadwinners in their households, and their businesses were vital for family survival.

Focus group discussions across local government areas like Kofai, Nukkai, Wukari, Gindi-Dorowa, Gembu, Ngoruje, Bete, and Bali revealed widespread hardship. Women continued limited trading activities despite restrictions to support their families. Many believed the pandemic was exaggerated and perceived government measures as neglectful, lacking in transparency and support. Women decried the absence of assistance despite being law-abiding and adhering to lockdown rules, and many had to deplete their savings to survive.

Cross-border traders in areas like Sardauna LGA, especially those operating between Nigeria and Cameroon, were hit hardest due to border closures. In places like Takum, women could not transport goods, leading to price drops and financial losses. Overall, the lockdown deepened economic strain and mistrust in the government.

Despite women’s significant contributions to the informal economy, they received little to no support during the pandemic. Although government officials claimed to have implemented social welfare schemes for women, many women interviewed in various communities across Taraba State (e.g., Takum, Bete, Gembu, Jalingo, and Sunkani) reported not receiving any assistance.

Women criticized the government for failing to distribute promised food and financial relief. They instead relied on their social networks or borrowed credit from business partners. The absence of visible aid led to widespread disillusionment and diminished trust in government authorities.

Although the federal government rolled out nationwide interventions—like food distribution and conditional cash transfers of N20,000 for vulnerable households—most women in Taraba’s informal sector did not benefit. As a result, the informal economy in the state continues to struggle post-lockdown.

### **Discussion of Major Findings**

This section discusses the key findings of a study that examined the effects of the COVID-19 pandemic on women working in the informal sector in Taraba State, Nigeria. The research was based on three main objectives:

**Impact on Businesses:** The pandemic had a major negative impact on women in the informal economy. Many women lost their means of livelihood as lockdowns restricted their ability to engage in entrepreneurial activities. Before COVID-19, these women were active contributors to their local economies. This finding aligns with global studies showing the pandemic's adverse effects on informal workers, especially women.

**Effect of Government Lockdown Measures:** Government lockdowns further worsened the situation for women informal workers, disrupting their income sources and movement. While the government's efforts focused on virus control, there was little commitment to supporting affected households. The lockdowns intensified existing inequalities and deepened poverty among women.

**Access to Social Security Benefits:** Although the federal government introduced some social protection measures, most women in Taraba State did not benefit from them. The state government failed to provide support to the informal sector, particularly women, showing a lack of involvement in social welfare during the crisis. This finding is consistent with other studies criticizing the poor implementation of social protection programs at the state level in Nigeria.

### **Conclusion**

Women in the informal economy have faced significant adverse effects as a result of the COVID-19 outbreak and subsequent lockdown measures. The outcome was both a decline in earnings and a reduction in employment opportunities for women in the informal sector. Consequently, the situation led to a decrease in the quality of life and caused significant difficulties for these women engaged in informal labour. Additionally, it led to a decrease in income, affecting both the workers and the state. The implementation of the COVID-19 lockdown disproportionately affected women in the informal workforce, since it did not accommodate their need to secure their livelihoods or balance the risks posed by the disease with their own well-being. The government was unable to furnish the necessary assistance to maintain their trust in the government. Similarly, the COVID-19 lockout had a significant effect on the economic activity of women working in the informal sector. The Taraba State government was ill-equipped to address the issues posed by the COVID-19 pandemic and mitigate its impact on the general population, particularly women.

### **Recommendations**

The study's findings lead to the following recommendations:

- i. The government should take sufficient measures to guarantee that, in the case of a pandemic, the negative effects on the livelihoods of women in the informal sector and the general population in Taraba State are minimised.

- ii. The government must guarantee that its response to the pandemic is implemented in a manner that does not disproportionately burden women employed in the informal economy sector. The vital function of women in providing familial assistance is both unimaginable and overlooked in Taraba State.
- iii. The government and partners should allocate resources to directly assist women informal workers whose economic activities have been affected during the post-pandemic period. Support for these ladies can encompass both monetary assistance and tangible resources. Economically, government support might manifest as financial assistance, such as loans and grants, aimed at revitalising firms.

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