



## **REVIEW OF COVID-19 PANDEMIC AS A BANE TO SOCIO-ECONOMIC DEVELOPMENT IN HOSPITALITY AND TOURISM INDUSTRY IN CROSS RIVER STATE, NIGERIA**

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### **Abstract**

This study investigated the Covid-19 pandemic as a bane to socio-economic development in hospitality and tourism industry in Cross River State, Nigeria. The study which adopted a descriptive survey design was guided by three research questions. The sample for this study consisted of 180 respondents made up of 180 business owners in the hospitality and tourism industry in Cross River State. This study used 180 questionnaires for data collection because they were not too large, hence, can be managed by the researcher. Data obtained were analyzed using mean score and standard deviation. Any mean score lower than 2.50 implied disagree while equal to or higher than 2.50 implied agree to the items. The findings of this study showed that the social impacts of Covid-19 on hospitality and tourism industry in Cross River State are: business owners felt nervous or anxious while they are in the workplace, they felt irritated and stressed about getting affected by their customers, they found it mentally difficult to adapt to a new normal (social distancing, wearing mask, gloves and using sanitizers) at the workplace among others. The findings of the study revealed that the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State include: reduction in international visitors, cancelation of future bookings from international visitors, loss of jobs, many businesses in the sector folded up among others. The findings of the study also uncovered that the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State include: moving business online, special offer for canceled bookings, merge with other companies, applying for government financial support among others. The study recommended that the Nigerian government should implement some fiscal policy measures in order to mitigate the effects of the pandemic on the economy.

**Keywords:** Covid-19, bane, socio-economic development, hospitality, tourism, lockdown.

### **1. Introduction**

In the history of mankind, infectious diseases have caused mayhem among societies. Emerging and re-emerging infectious diseases are now occurring at unprecedented rate. One of the emerging infectious diseases that is severely ravaging humanity in the recent time is coronavirus disease. Coronaviruses are a group of viruses belonging to the family of Coronaviridae, which infect both animals and humans. Human coronaviruses can cause mild disease similar to a common cold, while others

cause more severe disease (The World Health Organization (WHO), 2020). It is a mild to Spartan respiratory sickness that is caused by a unique coronavirus and is transmitted basically by contact with the respiratory droplets on materials, surfaces, and objects by a causative virus and is branded mainly through cough, shortness of breath and fever, which may advance to lung inflammation and respiratory failure (Merriam Webster, 2020). It is a highly infectious respiratory ailment caused by a distinct coronavirus. Officially, WHO on

February 11, 2020, named the novel coronavirus Covid-19. COVID here refers to the short form of coronavirus disease, while the number 19 is an indication that the disease was first detected in humans in 2019. The novel coronavirus can also be abbreviated as nCOV. Most infectious diseases are identified based on their symptoms; however, common symptoms associated with Covid-19 pandemic are sore throat, fever, congested nose, muscle pain and chills. Others are breathlessness, headache, body pain, loss of taste and smell, and repeated shaking with chills (Medical News Today, 2020).

The epidemiology of COVID-19 pandemic in Nigeria has since evolved, with cases identified in 35 of 36 states in the country, plus the Federal Capital Territory (FCT). Although Lagos State was initially the epicenter of the outbreak, Kano State and the FCT have now joined Lagos State as high-burden states, contributing 64.5% of the cumulative total cases in Nigeria by the end of May 2020. Between February 27 and May 31, 2020, 63 882 persons have been tested for COVID-19 in Nigeria, of which 10 162 (15.9%) were confirmed as being infected with SARS-CoV-2 by RT-PCR. Males appear to be disproportionately affected accounting for 67.7% (6,882) of the confirmed cases. A total of 287 deaths have been recorded among the confirmed COVID-19 cases, resulting in an observed case fatality ratio (CFR) of approximately 2.8% (Nigeria Centre for Disease Control (NCDC), 2020). The dramatic spread of COVID-19 pandemic has threatened human lives, disrupted livelihoods, and affected trade, economy and businesses across the nation. It has severely affected the socio-economic development in the country.

Social development is a process which results in the transformation of social institutions in a manner which improves the capacity of the society to fulfill its aspirations. It implies a qualitative change in the way the society shapes itself and carries out its activities, such as through more progressive attitudes and behavior by the population, the adoption of more effective processes or more advanced technology

(Module, 2022). Economic development is the development of economic wealth of countries or regions for the well-being of their inhabitants. Economic growth is often assumed to indicate the level of economic development. The term “economic growth” refers to the increase (or growth) of a specific measure such as real national income, gross domestic product, or per capita income (Module, 2022). The term economic development on the other hand, implies much more. It is the process by which a nation improves the economic, political, and social wellbeing of its people. Since the infiltration of this deadly virus in Nigeria, the pandemic has become a bane to socio-economic development in hospitality and tourism industry in Nigeria.

The Hospitality and Tourism industry is a large and complex industry and one that is of significant economic importance to Nigeria. Manpower Training and Education, enabled the hospitality and tourism industry to have the right sets of workers with the required skills, knowledge and attitude to manage the industry in the present while plan adequately and wisely to meet the challenges of manpower needs the industry might face in the future (Ofobruku, 2012). Hospitality and tourism are a massive, collective industry consisting of tourism and other hospitality-related businesses. Tourism companies are technically considered hospitality businesses because they rely on strong customer service to generate revenue. They must provide a welcoming, enjoyable experience to their guests. Otherwise, those guests won't return in the future, and some guests may share their bad experience with friends or family members (American Hospitality Academy (AHA), (2022).

The hospitality and tourism industry can be said to be a vast sector that includes all the economic activities that directly or indirectly contribute to, or depend upon, travel and tourism. This industry sector offers countless fun and financially rewarding career opportunities,

some of which include a travel agent, tour guide, hotel manager, theme park manager, event planner, and tourism officer. This industry sector includes: Hotels & Resorts, Restaurants & Catering, Night Clubs & Bars, Travel & Transportation, Tourism, Spas & Wellness, Cruise Liners & Bus tours, Events (Private, Business, Cultural & Sports). Unfortunately, this lucrative industry is jeopardized by corona virus pandemic. The pandemic has massive consequences that have to reshape the present and future landscape of the hospitality and tourism industry. Adenomon & Maijamaa (2020) regretted that the exaggerated cancellations of hotels and travel bookings resulted in billions of naira in revenue loss and thousands of jobs were lost within the country.

Since the outbreak in Nigeria, the deadly Coronavirus (COVID-19) pandemic has hit every aspect of life, halting progress in every human endeavour. Total lockdowns, social distancing, wearing of facemasks and other measures taken to mitigate its spread have impacted negatively on all sectors of global economy with some suffering devastating blows. Hospitality and Tourism, a gold mine that rakes in billions of naira annually, appears worst hit as international travels were banned, while social gatherings and non-essential activities were grounded across the nation. Ozili (2020) stated that business owners are worried about getting affected when customers come to them. They also found it mentally difficult to adapt to a new normal (social distancing, wearing mask, gloves and using sanitizers) at their workplace. However, Oruonye & Ahmed (2020) is of the view that a business owner can merge their company with other companies or shut down/sell the company in a bid to mitigate the plight of Covid-19. The author stated that business owners can apply for government financial support to help them revive their business. It is against this backdrop that the researcher deemed it fit to investigate Covid-19 pandemic as a bane to socio-economic development in hospitality and tourism industry in Cross River State, Nigeria.

The main purpose of this study is to investigate Covid-19 pandemic as a bane to socio-economic development in hospitality and tourism industry in Cross River State, Nigeria. Specifically, the study sought to:

1. Determine the social impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.
2. Examine the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.
3. Find out measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.

## 2. Research Questions

The following research questions guided the study.

1. What are the social impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria?
2. What are the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria?
3. What are the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria?

## 4. Research Methodology

The study adopted a descriptive survey design. The population for this study was business owners working in the hospitality and tourism industry in Cross River State. The reason for choosing business owners working in the hospitality and tourism industry was because they were the categories of people that can give correct information with respect to the subject matter in this study. Hospitality and tourism business in Cross River State include cafés, restaurants, campings, events management, farms booking, guesthouses, hotels, motels, taxis booking (local travel-local touring), tour/holiday packages, tour guides (local sight-seeing) and travel booking (airlines-national/international). The sample of this study was drawn from business owners working in the

tourism and hospitality industry in Cross river state through a stratified random sampling technique. The state was stratified along the 18 local government areas and ten business owners were randomly selected from each local government area, thus, making a total of 180 business owners. Hence, 180 business owners in the hospitality and tourism industry were selected for the study. The instrument for data collection was a questionnaire structured on a 4 – point rating of Strongly Agree (SA) 4 points, Agree (A) 3 points, Disagree (DA) 2 points and Strongly Disagree (SD) 1 point. The instrument was face validated by two experts from the Department of Hospitality and Tourism Management, one expert from Measurement and Evaluation, Cross River University of Technology. The reliability of the instrument was established using the Cronbach Alpha formula. The reliability coefficient value yielded 0.86 on average which was considered adequate for the

study. The instrument was administered to the respondents by the researcher and three research assistants. A total of 180 copies of the questionnaires were administered and collected on the spot from the respondents. Data obtained were analyzed using mean score and standard deviation. Any mean score lower than 2.50 implied disagree while equal to or higher than 2.50 implied agree to the items.

**5. Results**

The results of the data analyses were presented based on research questions in tables

**5.1 Research question one**

What are the social impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria?

Table 1 below presents the analysis of mean ratings on the social impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.

Table 1: Mean ratings on the social impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria

S/N	ITEMS	Respondents		
		$\bar{X}$	SD	REM
	<b>Business owners:</b>			
1	felt nervous or anxious while they are in the workplace	3.11	0.80	A
2	felt irritated and stressed about getting affected due to the visits made by customers	3.22	0.85	A
3	found it mentally difficult to adapt to a new normal (social distancing, wearing mask, gloves and using sanitizers) at the workplace	2.73	1.09	A
4	felt that their colleagues may have been infected by COVID-19 and they fear that they may also get infected.	2.84	0.93	A
5	did not feel like closing the company/office and sit at home till the COVID-19 pandemic ends will help them during the pandemic.	2.88	0.94	A
6	felt stressed that their company may plan to reduce some staff in the future due to the COVID-19 outbreak	3.07	0.77	A
7	felt stressed that the company may have reduced the staff salary due to the loss that occurred by the COVID-19 pandemic	3.01	0.89	A
8	<u>have not taken any counseling services to deal with the fear of COVID-19.</u>	<u>2.14</u>	<u>0.47</u>	<u>DA</u>

$\bar{X}$  = Mean, SD = Standard Deviation, Rem = Remark

The result in table 1 shows that the mean ratings of the business owners for item numbers 1-8 are 3.11, 3.22, 2.73, 2.84, 2.88, 3.07, 3.01 and 2.16 with the corresponding standard deviation of 0.80, 0.85, 1.09, 0.93, 0.94, 0.77, 0.89 and 0.47 respectively. This shows that the respondents agree that items in the table one above is the social impacts of Covid-19 on hospitality and tourism industry in Cross River State.

**5.2 Research question two**

What are the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria?

Table 2 below presents the analysis of mean ratings on the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.

Table 2: Mean ratings on the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria

S/N	ITEMS	Respondents		
		$\bar{X}$	SD	REM
9	Reduction in International visitors	3.23	0.62	A
10	Reduction in domestic visitors	3.04	0.68	A
11	Cancelation of future bookings from domestic and international visitors	3.15	0.14	A
12	Difficulty covering staff salaries and other fixed business costs, such as rent or utilities	3.39	0.17	A
13	Uncertainty over economic conditions	2.24	0.23	DA
14	Government regulations suspending business activities	3.18	0.18	A
15	Many workers lost their jobs	3.21	0.15	A
16	Many businesses in the sector folded up	2.91	0.16	A

$\bar{X}$  = Mean, SD = Standard Deviation, Rem = Remark

The result in table 2 shows that the mean ratings of the business owners for item numbers 9-16 are 3.23, 3.04, 3.15, 3.39, 2.24, 3.18, 3.21 and 2.91 with the corresponding standard deviation of 0.62, 0.68, 0.14, 0.17, 0.23, 0.18, 0.15 and 0.16 respectively. This shows that the respondents agree that items in the table two above are the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.

**5.3 Research question three**

What are the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria?

Table 3 below presents the analysis of Mean ratings on the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria

Table 3: Mean ratings on the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.

S/N	ITEMS	Respondents		
		$\bar{X}$	SD	REM
17	Move business online	3.54	0.50	SA
18	Special offer for canceled bookings	2.98	0.61	A
19	Planning to merge with other companies	3.14	0.18	A
20	Planning to shut down/sell the company	2.01	0.32	DA
21	Scale back on services/products	3.21	0.17	A

22	Apply for government financial support	3.64	0.42	SA
23	Reduce the number of staff	2.86	0.59	A
24	Reduce wages for staff	3.31	0.16	A

$\bar{X}$  = Mean, SD = Standard Deviation, Rem = Remark

The result in Table 3 shows that the mean ratings of the business owners for item numbers 17-24 are 3.54, 2.98, 3.14, 2.01, 3.21, 3.64, 2.86 and 3.31 with the corresponding standard deviation of 0.50, 0.61, 0.18, 1.32, 0.17, 0.42, 0.59 and 0.16 respectively. This shows that the respondents agree that items in the table three above are the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria.

#### 5.4 Discussion of findings

The findings with respect to research question one shows that business owners have same view on the social impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria. They agreed that the social impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria are: business owners felt nervous or anxious while they are in the workplace, they felt irritated and stressed about getting affected due to the visits made by customers, they found it mentally difficult to adapt to a new normal (social distancing, wearing mask, gloves and using sanitizers.) at the workplace. These findings are in consonance with the statement credited to Ozili (2022) that business owners are worried about getting affected when customers come to them. They also found it mentally difficult to adapt to a new normal (social distancing, wearing mask, gloves and using sanitizers) at their workplace. The findings of the study further disclosed that business owners felt that their colleagues may have been infected by COVID-19 and they fear that they may also get infected, they did not feel like closing the company/office and sit at home till the COVID-19 pandemic ends will help them during the pandemic, they felt stressed that their company may plan to reduce some staff in the future due to the COVID-19 outbreak and felt stressed that the company may have reduced the staff salary due to the loss that occurred by the COVID-19 pandemic. The findings of the study also uncovered that business owners disagree that for not taken any counseling services to deal

with the fear of COVID-19 is not a social impact of the pandemic.

The findings with respect to research question two shows that business owners have same view on the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria. They agreed that the economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria include: reduction in international visitors, reduction in domestic visitors, cancelation of future bookings from domestic and international visitors and many workers lost their jobs. These findings are in line with Adenomon & Maijamaa (2020) regrets that the exaggerated cancellations of hotels and travel bookings resulted in billions of naira in revenue loss and thousands of jobs were loss within the country. The findings of the study further uncovered that there is difficulty covering staff salaries and other fixed business costs, such as rent or utilities, government regulations suspending business activities and many businesses in the sector folded up. Nevertheless, the respondents disagree that uncertainty over economic conditions is an economic impact of Covid-19 pandemic.

The findings with respect to research question three shows that business owners have the same view on the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria. They agreed that the measures to mitigate the socio-economic impacts of Covid-19 on hospitality and tourism industry in Cross River State, Nigeria include: move business online, special offer for canceled bookings, planning to merge with other companies and apply for government financial support. These findings are in acquiescent with the view of Oruonye & Ahmed (2020) that a business owner can merge their company with other companies in a bid to alleviate the plight of Covid-19. The author stated that business owners can apply for government financial support to help them revive



their business. The findings of the study further disclosed that business owners can scale back on services/products, reduce the number of staff and reduce wages for staff as other mitigating measure. Nonetheless, the respondents disagree that planning to shut down/sell the company in not measures to mitigate the socio-economic impacts of Covid-19 in the industry.

### Conclusion

The hospitality and tourism industry are a major revenue earner, with potential of creating thousands of jobs annually. However, they had also had their own share of the challenges from the covid-19 lockdown policy of the government of Nigeria. With government announcement of “stay-at-home policy” and “social distancing” movement restriction, most restaurant businesses were greatly affected. This led to rapid shutdowns in cities and states to control the spread of the covid-19 disease, which threw many restaurants and hotels across the country into sudden shock. Many hotels have recorded decline in bookings due to the health scare, while restaurants in major towns in the country are now restricted to offering only delivery services. There is every indication that the global pandemic could have a long-lasting impact on the industry. As Covid-19 continue to hit the industry hard from all over the world, there is apparently blunt future for the sector. Meaning, more job cut, loss of revenue, income and livelihood globally. The opportunity to revive and return the industry to normal levels depends strongly on policy options adopted by stakeholders. It requires a collaboration among the government and its agencies, operators of the hospital and tourism industry, international monetary and donor organisations. Also, governments in different countries should as a matter of urgency make policy that rebuilds the public, workers and operatives' confidence in the hospitality and tourism industry. Again, strategic cooperation among stakeholders can be encouraged.

### Recommendation

Based on the findings of this study, the following recommendations are made:

- i. Cost of booking accommodation and flight should be reduced to encourage international and domestic visitors.
- ii. Compensation should be given to the passengers by way of discount and flexibility in changing tourist schedules to encourage tourists that had booked earlier before the covid-19 lockdown.
- iii. Business owners should diversify their sources of income to enable them provide staff salaries and other fixed business costs
- iv. The Nigerian government should also implement some fiscal policy measures in order to mitigate the effects of the pandemic on the economy.
- v. Diversification of the Economy through Agriculture
- vi. Revamping of the Manufacturing Sector
- vii. The is need for government intervention by way of palliative measures to assist key players in the tourism and other sectors.

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