



## COVID–19 Pandemic Lockdown: A Comparative Analysis of Government Intervention between Palliatives in Nigeria and Stimulus in United States of America (USA)

EZEKIEL ADEYEMI ODEDOKUN  
Federal University, Oye-Ekiti, Nigeria.

**Abstract.** Coronavirus or COVID – 19 pandemic has caused a crisis of monumental dimension for the global economy with an escalating number of confirmed cases on a daily basis. The declaration of the virus by the World Health Organization (WHO) as a global pandemic is an indication that it will have a sustained global impact. Thus, in response to this, governments of many nations have embarked on several and different initiatives to counteract the disruption caused by coronavirus as well as providing for those affected by the pandemic. This paper did a comparative analysis between what the governments of the United States of America (USA) and that of Nigeria rolled out to neutralize the negative effects of the pandemic. While Nigeria represents the developing nations, the USA represents the advanced nations of the world. The paper draws on a desk–based review of secondary data and literature. Also, individual comments were analyzed to understand the contents of the series of relief initiatives by governments. The paper concludes that while the advance nations, represented by the USA, provide their citizens with economic stimulus, the developing nations, represented by Nigeria provide palliatives. The difference between the two is that; palliatives are meant to lessen the pains inflicted by the pandemic while stimulus causes growth and activity. Therefore, the paper recommends that what Nigerians need is stimulus as against the various palliatives which cannot eradicate but lessen hardship.

**Keywords:** Coronavirus, Pandemic, Palliatives, Stimulus, Economy.

### 1. Introduction

The prevailing COVID–19 pandemic has led to the shutdown of the world economies. The entire global village is faced with an unprecedented crisis that has defied all practical and theoretical solutions. Lives are being lost on a daily basis on large number. According to the WHO, as at 3<sup>rd</sup> of September, 2020, 216 countries and territories around the world have reported a total of 25,884,895 confirmed cases of COVID–19 that originated from Wuhan in China. The deaths out of this figure is 859,130 while 17,922,218 of the infected case have recovered ([www.worldometers.info](http://www.worldometers.info)).

Countries like the United States, Italy, Spain, Germany, China (where COVID–19 originated), France, Iran, the United Kingdom and Switzerland have the highest cases of COVID–19 as well as highest number of recorded deaths ([www.ey.com](http://www.ey.com)). The pandemic locked down the whole world as various measures put in place to halt its spread include closure of all the borders; land, air and sea, of all the nations of the world.

The enormous price the citizens have continued to pay since the incursion of the pandemic is an indication of the attendant degree of socio–economic and political disruption and distortion. Economic lockdown and deliberate policies of business transactions running at the lowest ebb,

coupled with other measures to curb the spread of the scourge has redefined virtually all facets of human endeavours (Oderemi, 2020). Citizens were ordered to stay at home so as to avoid physical contacts. In response to the attendant implications which are the fallouts of the lockdown occasioned by the pandemic the World Health Organization (WHO) through its Director General (DG) strongly advised that any government imposing lockdown restrictions should provide resources for their citizens to enable them to comply to the safety directives by the government (apps.who.int. COVID-19). The DG queried how one would survive on lockdown who depends on daily labour to eat. He specifically mentioned countries with large poor populations, particularly in Africa, Asia and Latin America, that the stay-at-home order used in some high income countries may not be practicable. It is in line with this advice that governments around the world are acting decisively to protect their citizens and their businesses from the economic disruption being caused by the COVID-19 virus pandemic. Worldwide, nations have rolled out policies and programmes to cushion the effects of the pandemic on the people in and outside of their countries.

These interventions are of varying types and degree, whether cash benefits, tax cut or delayed, investment incentives or changes in filing deadlines. There are also loan facilities of different types and categories for targeted sectors and individuals. All of these are to cushion the effects of the pandemic on the citizens as well as to stimulate the economy of these nations. Two of these nations are the United States of America and Nigeria both representing the developed nations and developing nations respectively.

## **2. COVID-19 in Nigeria and Government's Palliatives**

The first confirmed case of COVID-19 in Nigeria was announced on the 27<sup>th</sup> of February, 2020. An Italian citizen based in Lagos was tested positive for the virus (COVID-19ncdc.gov.ng). The second case of the virus was reported on the 9<sup>th</sup> of March, 2020 in

Ewekoro, Ogun State, a Nigerian who had contact with the first case (<http://pmnewsnigeria.com>). Since then, Nigeria has been recording cases on a daily basis just like other countries and territories of the world. The record has been in three major categories of new cases of infected person, total number of death cases and those who have recovered. As at the 3<sup>rd</sup> of September, 2020 the total number of infected persons in Nigeria are 54,588; 1,048 deaths and 42,627 recovered cases ([www.aa.com.tr](http://www.aa.com.tr)).

The Federal Government had imposed targeted lockdown measures in areas with rapid increase of COVID-19 cases to curb its spread. The areas are Lagos State, Ogun State and Federal Capital Territory (FCT) Abuja. Likewise, other state governments followed suit to halt the spread of the pandemic. Thus, the whole system was shut down except those on essential duties. As a way to cushioning the effect of the lockdown, the government rolled out what is called palliative measures for certain groups. These included three months interest holidays for those holding Tradermoni, Marketmoni and Farmersmoni loans.

Tradermoni is a Government Enterprise and Empowerment Programme (GEEP) initiative designed for petty traders to expand their trades. The loans are collateral free and repayable over a period of six months. The beneficiaries can get access to a higher facility ranging from ₦15,000 to ₦50,000 after they repay the initial ₦10,000 within the stipulated time ([startcredit.com](http://startcredit.com)). Marketmoni is another scheme under GEEP created to provide financial assistance for individuals of low – income status through the provision of easily accessible, fast and interest – free loans. It ranges from ₦10,000 to ₦100,000 with 5% administrative charges ([www.loanspot.ng](http://www.loanspot.ng)). Farmermoni is also under GEEP of the Federal Government payable within six months and the loan ranges from ₦300,000 to ₦2,000,000 collateral free ([startcredit.com](http://startcredit.com)). The three schemes are under The Bank of Industry management software which validates the loan application.

Also, the House of Representatives, on the 24<sup>th</sup> of March, 2020 passed the Emergency Economic Stimulus Bill 2020. The bill is meant to provide support to businesses and individual citizens of Nigeria. The proposed law aims to provide 50% rebates to businesses registered under the Companies and Allied Matters Act so they can use the saving to continue employing their current workers. On the 1<sup>st</sup> of April, 2020 the government announced that it will make a cash transfer of ₦20,000 (\$52) to poor and vulnerable households registered in the National Social Register (NSR). The register currently has only 2.6 million households (about 11 million people). However, the government hopes to increase it to 3.6 million household in view of the COVID-19 crisis.

Additionally, the Central Bank of Nigeria (CBN) introduced what it called stimulus package. It offers a credit of ₦3 million to poor families impacted by COVID-19. The loan requires collateral and is not interest free. It consists of (i) ₦50 billion credit facility to household and small and medium enterprises (ii) ₦100 billion loan to health sector, and (iii) ₦1 trillion to the manufacturing sector. In addition to all of these, the interest rates on all Central Bank of Nigeria (CBN) interventions were reviewed from 9 percent to 5 percent and a year moratorium in all CBN intervention facilities introduced from March 1, 2020. All of these to support those affected by the COVID-19 pandemic. Apart from the ₦50 billion credit facilities which outlined its accessibility others are without specific guidelines. The ₦50 billion credit facility, through which households can potentially got up to ₦3 million, requires proof of collateral such as personal property. It comes with five percent initial interest and nine percent after March, 2021, six – month statement of account, a business plan, two guarantors and a three year audited report ([www.cbn.gov.ng](http://www.cbn.gov.ng)).

On April 1, 2020 the Nigerian Electricity Regulatory Commission (NERC) suspended the payment of new electricity tariffs scheduled to commence on April 2<sup>nd</sup>, 2020. The body cited poor electricity supply, under metering gap and the impact of the COVID-19 pandemic. The National Assembly postponed the effective date

of the new tariff to the first quarter of 2021. Also, the Federal Government slashed the price of Premium Motor Spirit (PMS) to ₦123:50 per litre, with effect from April 1<sup>st</sup>, 2020 due to the continued trend in oil price (home-kpmg). Not only these, on the 8<sup>th</sup> of April, 2020, the government announced that 77,000 metric tons of food will be distributed through the Federal Ministry of Humanitarian Affairs Disaster Management and Social Development to vulnerable households in those states where the Federal Government declared lockdown. Some other states of the federations were given bags of rice by the federal government to cushion the negative effects of the pandemic.

Also, on the the 18<sup>th</sup> of September 2020, the Federal Government of Nigeria announced a ₦75 billion Survival Fund for Micro, Small and Medium Enterprises (MSMEs) (Azeez, 2020). According to the Minister of State for Industry, Trade and Investment, the programme is aimed at tackling the economic challenges faced by small business as a result of the outbreak of coronavirus. The programme according to the Minister, would run for an initial duration of three months and would be opened for 1.7 million entities and individuals across the country. It has provisions for 45 percent female-owned businesses and five percent for those with special needs. The requirements from accessing the facility are: (a) employees' company must be registered in Nigeria under the Corporate Affairs Commission (CAC), (b) must have Bank Verification Number (BVN) by the company CEO, (c) must have a staff strength of no less than three persons, and (d) must be owned by a Nigerian. Also, self-employed individuals in the following categories; (i) service providers in the transportation sector, that is, Bus drivers, Taxi drivers, Ride share drivers (Uber, Bolt, Taxify, etc) and Mechanics (ii) Artisans; Electricians, Plumbers and their likes.

### 3. United States of America (USA)

COVID-19 pandemic pushed the United States stock market, the world's largest, into bear market territory in March 2020. While the market regained much of the losses, unemployment remains high and the Gross

Domestic Product (GDP) growth shows that the virus will severely impacted the world. Thus, the USA government took practical steps to combat the negative effects of COVID-19 virus (<http://www.federalreserve.gov/newsvent/pressreleases/monetary.2007289.htm>). The United States of America (USA), the world largest economy, entered into recession in February 2020. In the light of this, the government has taken a wide range of steps to contradict the negative effects against the nation's economy by COVID-19.

Throughout March and April 2020 the US lawmakers passed three major relief package and supplemental one, totaling nearly \$2.8 trillion. The phase one is named Coronavirus Preparedness and Response Supplemental Appropriation Act 2020 which was signed into law on the 6<sup>th</sup> of March, 2020. It allocated \$8.3 billion to fund research for a vaccine, give money to state and local governments to fight the spread of the virus and allocate money to help with the efforts to stop the spread of the virus to overseas countries ([congress.gov](http://congress.gov)). The second phase, the Families First Coronavirus Response Act (FFCRA) was signed into law on the 18<sup>th</sup> of March 2020 with allocation of \$3.4 billion as relief package. It is meant to provide money for families who rely on free school lunches in the light of widespread closure of schools. Also, it mandated companies with fewer than 500 employees provide paid sick leave for those suffering from COVID-19, as well as providing a tax credit to help employers cover those costs.

Additionally, \$1 billion as a plus for unemployment insurance money for states, as well as loans to states to fund unemployment insurance. Lastly, it is meant as funding and cost waivers to make COVID-19 testing free for all (<http://www.investopedia.com>). The Third Phase and by far the largest relief package was signed into law on the 27<sup>th</sup> of March 2020 as the largest, so far, single relief package in the history of the United States. It is called the Coronavirus Aid, Relief and Economic Security Act nicknamed CARES Act. It appropriated \$2.3 trillion for many different efforts. A supplementary stimulus package named Phase 3.5 was signed

into law in the 24<sup>th</sup> of April, 2020. It appropriates \$484 billion mostly to replenish the Paycheck Protection Programme Flexibility (PPPF) and Economic Injury Disaster Loans. It also contains additional funding for hospital and COVID-19 testing (<https://www.ed.gov/coronavirus>). In line with CARES Act, the Federal Government launched the Payback Protection Programme Lending Facility on April 9, 2020. CARES is an acronym for Coronavirus – C, Aid – A, Relief – R, and Economic – E and Security – S.

It should however be noted that the US Federal Authority expanded its repurchase agreement operatives on the 12<sup>th</sup> of March, 2020, by \$1.5 trillion. It then added \$500 billion on the 15<sup>th</sup> of March, 2020 ([https://www.newyorkfed.org/markets/opolicy/operating\\_policy\\_200316](https://www.newyorkfed.org/markets/opolicy/operating_policy_200316)). All of these were to ensure that there was enough liquidity in the money markets. Repo operations allow the Federal reserve loan money to banks by purchasing treasury from them, and selling them back to the banks at a later date (<https://www.newyorkfed.org/markets/opolicy/operating-policy-200312a>). On the 9<sup>th</sup> of April 2020, the Federal Government announced the Main Street Lending Programme which set-up an SPV-Special Purpose Vehicles that will purchase up to \$600 billion in small and medium-sized business loans. The Federal Government will only purchase a 95% state of each loan, with the bank keeping 5% (<https://www.federalreserve.gov/newsevents/pressreleases/monetary20200409a.htm>)

The congress passed trillions of dollars in fiscal programmes, while the US Central banks, the Federal Reserve, added trillions of dollars in monetary stimulus. On July 28, 2020, the Federal Reserve extended the duration of its lending programmes that would have ended on September 30<sup>th</sup>, 2020 till December 31, 2020 (<https://www.arcgis.com/apps/opsdashboard/index.html/bda7594740fd/fd40299423467b4809eaf6>). The Federal stimulus measures fall into three basic categories; interest rate cuts, loans and asset purchases and regulation charges. All of these in a bid to counter the negative effect of the pandemic and to stimulate the economy of the

US

(<https://www.federalreserve.gov/newsevent/pressrelease/monetary20200728a.htm>).

In specific terms, several programmes were set-up that opened up new specific lines of credit to financial institutions. On March 20, 2020 a great recession – era programme, the Primary Dealer Credit Facility was relaunched. The purpose is to give loans to primary dealers backed by a wide variety of securities as collateral (<https://www.federalreserve.gov/newsevents/pressreleases/monetary/20200317b.htm>). There is no set limit to the amount of credit it will issue, but it will only run till December 31, 2020, unless it is further extended. Also to add more liquidity to money markets, the Money Market Mutual Fund Liquidity Facility was launched on March 18, 2020. The aim is to lend money to financial institutions so they can buy money market mutual funds. It has no specific lending limit, but scheduled to end by December 31, 2020. The sum of \$10 billion of debt credit protection was released by the treasury department (<https://www.federalreserves.gov/newsevents/pressreleases/files/monetary/20200318a1.pdf>). Provisions were also made for small businesses operators. The programme lends money to bank so that they can in turn, lend money to small businesses through the Paycheck Protection Programme. There is no limit to the facility, but it is supposed to end by December 31, 2020 except there will be an extension ([https://www.federalreserve.gov/newsevents/pressreleases/files.monetary/202004\\_09a6.pdf](https://www.federalreserve.gov/newsevents/pressreleases/files.monetary/202004_09a6.pdf)).

However, the sum of \$2 trillion tagged Coronavirus stimulus bill was provided under the scheme through the US lawmaker. Thus, at over \$2 trillion, the provision is the largest reserve package in the history of the United States of American (USA). The law is expected to have a major impact on the US economy and the effort to combat coronavirus.

Many economic stimulus have been introduced by the government of the US. In specific terms, \$367 billion loan and grant program provision for small businesses and expansion of unemployment benefits to include people

furloughed, gig workers and freelancers, with benefits increased by \$600 per week for a period of four months. Also, direct payment to families of the sum of \$1,200 per adult and \$500 per child for households making up to \$75,000 and \$130 billion to hospitals health care systems and providers. Additionally, \$500 billion fund for loans to corporate America, called slush fund, overseen by an Inspector General and a congressional panel, with every loan document made public. Not only these, there is provision for cash grants of \$25 billion for airlines (in addition to loans) \$4 billion for air cargo carriers, \$3 billion for airline contractors (caterers, etc) for pay-roll support. The sum of \$150 billion was given to state and local governments to activate and stimulate the economy of the USA ([www.investopedia.com](http://www.investopedia.com)).

In addition, the CARES Act established the Pandemic Emergency Unemployment Compensation Programme. It allows workers who have exhausted their employment compensation benefit to receive 13 more weeks of benefits, if they are able to work. Also, the Pandemic Unemployment Assistance extends benefits to self-employed, freelancers and independent contractors. The stimulus makes provision to fund 100% of the shortfall for workers with reduced work hours. There is borrowing from retirement plans opportunity. It allows people to take special disbursements and loans from tax-advantaged retirement funds of up to \$100,000 without facing a tax penalty. These measures apply to anyone directly affected by the disease itself or who faces economic hardship as a result of the pandemic.

Another provision is the creation of a new Employee Retention Credit against employment taxes to encourage employers of labour to retain and pay their employees during any quarter when business operation is partly or fully suspended due to the coronavirus. This is different from Small Business Interruption loans as they are excluded from this facility. Employer payroll tax payments for 2020 will be due in 2021 while the other 50% due in 2022. While excise taxes on alcohol used to produce hand sanitizer are suspended for 2020 business

operating losses for 2020 can be carried back for up to five years.

President Trump, on the 10<sup>th</sup> of August 2020, signed four executive order to provide additional COVID-19 relief. Firstly, the government would roll out a \$460 per week payment to those already receiving more than \$100 a week in unemployment benefit, \$300 of this would be paid by state governments. The programme would be paid for by the federal government while the remaining \$100 paid for by state governments. The programme will be retroactive through August 1, 2020 while the \$600 unemployment benefit expansion ended. The programme slated to last through December 6, available immediately.

Secondly, the executive action extended the moratorium on payments and interest accrual on student loans held by the government till the end of 2020. The moratorium was previously expected to expire September 30<sup>th</sup>, 2020 (USA Today, 2020). The third action directed the Treasury and the Department of Housing and Urban Development to help provide temporary assistance to home owners and renters, as well as for Housing and Urban Dealers to promote the ability of renters and home owners to avoid eviction or foreclosure. It also instructs Federal Housing Financing Agency (FHFA) to review all existing authorities and resources that may be used to prevent evictions and foreclosures for renters and homeowners. The fourth executive order defined payroll taxes for Americans earning less than \$100,000 per year for the period beginning September and ending December 31, 2020. These taxes will be paid back in 2021 (Wall Street Journal, 2020).

#### 4. Discussion

Nigeria and the United States of America are though practicing the Presidential System of Government under Federalism the COVID-19 pandemic has shown that the difference is clear in operation and practise. There is a whole lot of different between a palliative and a stimulus. While Nigeria tagged its own measures against COVID-19 pandemic Palliative the USA and other advance nations of the world refer to it as

Stimulus. Palliative is something that makes a problem seem less serious but does not solve the problem or make it disappear. Stimulus on the other hand is something that causes growth or activity (<https://dictionary.cambridge.org>). Thus, the Nigerian government has no intention of solving the problem of poverty and inadequacy in the country but rather wants to perpetuate the reign of hardship. Meanwhile, the American government is determined to spirit its people off lack and wants. This stance is established in the various measures in tackling the outbreak of COVID-19 pandemic and its concomitant effects.

Complaints and criticisms are trailing the palliative measures in Nigeria. Though, the government said they are for the most vulnerable in the society, there is no laid down parameters for determining the beneficiaries. It was left to the Ministry of Humanitarian Affairs, Disaster Management and Social Development under the leadership of Hajiya Sadiya Umar Farouq, to handle. She claimed all Nigerians benefited from the palliatives except the children. However, she had to recant when pressurized to come out with the list of beneficiaries and the criteria adopted. A consortium of anti-corruption organizations under the ageis of Upright for Nigeria, Stand Against Corruption Campaign called on the Federal and State Governments to publish the names of all beneficiaries of government palliatives to ensure transparency in the distribution of the COVID-19 palliatives ([nigeria.actionaid.org](http://nigeria.actionaid.org)). Meanwhile over 120 million qualified Americans have already received their stimulus package without much ado. Also, while what Nigeria plans to give is barely enough to see the beneficiaries through a week, what each recipient of the American government's stimulus package gets is enough to see them over the period of the lockdown and help them to get back on their feet post COVID-19.

Additionally, the best the Nigerian government can offer is ₦20,000 (\$52) to those on the national social register, the US government gave every American taxpayer who is not a millionaire a cheque of \$1,200 as part of its stimulus package. The American Congress also

billed a monthly payment of at least \$2,000 for at least six months for those who are sixteen years and above who are making less than \$130,000 per annum. The Nigeria cash transfer measure is even shrouded in mystery. The cash payments reached only a fraction of the poor. This is because 87 million Nigerians live in less than \$1.90 a day. Also, the country does not have a robust national information management system which has made electronic payments difficult. The resultant effect is that many people in the NSR did not receive the money promised by the government ([www.boi.ng](http://www.boi.ng)).

In another dimension, most of the stimulus measures of the USA government are legally established while Nigeria's palliatives are by mere pronouncements without legal backing. The Economic Stimulus Bill 2020 by Nigeria House of Representatives is yet to see the light of the day. Even at that the proposed bill focuses on providing relief to formal sector businesses. Meanwhile 65% of Nigeria's total Gross Domestic Product (GDP) comes from the informal sector which also employs more than 90% of the nation's workforce. These workers need support to survive. Many businesses in the informal sector are unregistered thus, it will be difficult for them to get those benefits, even if the bill is eventually passed. Meanwhile, provisions are made for all of these by the government of US.

In Nigeria there is no provision or recognition for the family which is the basic unit of any society. The African culture recognizes family as an important nucleus of the society. Nigeria government did not give any consideration to the institution. Meanwhile the second phase of American government in countering effects of COVID-19 pandemic is the Families First Coronavirus Response Act (FFCRA) which was signed into law on the 18<sup>th</sup> of March 2020 with allocation of \$3.4 billion as relief package. The food distribution system in Nigeria, to the vulnerable households was marred by corruption and opaque accountability. Thus, the government has not been able to support those who need it. Moreso, the inability of the government to disclose key details of

beneficiaries cast doubt on how many people benefited from the palliatives.

The failure of Nigeria government to provide Personal Protective Equipment (PPE) to health workers is another indication that the government is not serious about solving any problem. In other words, the government just wants to keep up the appearance of addressing the issue. It took a strike by the members of National Association of Resident Doctors, during the pandemic, before government deemed it fit to attend to some of their demands. The government wants this category of Nigerians to attend to suspected COVID-19 patients, yet, the same government has failed to provide them with the basic requirement to function in their role. The fallout of this is the increase number of health workers infected with COVID-19 virus. The frustration made some of the medical doctors to wanting to seek greener pasture in the United Kingdom during the lockdown. No provision has been made for the health sector in the country. This is contrary to what happened in the USA where the Federal Government specifically made over \$130 billion to hospitals, health care systems and providers. This shows that the Nigerian government is not interested in fighting COVID-19 virus head on. Nigerian government has no intention of solving the nation's health-care problems. That is why over the years, health facilities in the country have degenerated from clinic to consulting rooms and eventually departure rooms. This is why infant and maternal mortality rates in the country rank among the highest in the world. On the other hand, those in government fly out of the country to check their blood pressure, until COVID-19 pandemic forced every nation to close its air, water and land borders. In other words, the Nigerian government does not solve problems, it merely offers palliatives. The agenda is to keep the people barely alive but not to thrive. That is why the country, in some quarters, is considered the global headquarters of poverty.

The US government made specific allocation of funds to the federating units and the local government councils to tackle COVID-19. This is not the case in Nigeria as the Federal

Government gave funds to some states while others did not benefit. Those who did not benefit are reading political affiliation as the reason behind their being excluded. Also, to underscore the determination of the Nigerian government penchant to keeping the vast majority of its citizens below the poverty line, the Federal Government sent 1,800 bags of rice to many states. Some of the states, particularly Oyo, Ondo and Lagos complained that the rice had expired and not good for consumption. Even at that, one wonders how 1,800 bags of rice would be shared in Lagos State populated by almost 20 million residents.

The US government made provision for the unemployed through the pandemic unemployment assistance which extends to the self-employed, freelancers and independent contractors. In Nigeria the government stopped the salaries of university teachers due to irreconcilable differences. The Academic Staff Union of University (ASUU) has been clamoring for better funding of education in Nigeria but the federal government would have none of that as the government is used to palliative rather than stimulus. The government has no plan to offer qualitative education hence students are kept in ramshackle buildings without modern equipment. The best Nigerian government could give the citizen, in line with its palliative tradition, in the midst of the crises of COVID-19 pandemic is the approval of an increase in the electricity tariff. Also, government increased the pump price of Premium Motor Spirit (PMS) while the citizens are already groaning due to the deadly blow and the attendant sufferings from the lockdown occasioned by COVID-19 pandemic. These two government induced actions are manifestations that there is no intention on the part of government to solve the problem of poverty in Nigeria. This is why, while China has been able to take over 30 million of her citizens out of poverty over a period of thirty years, the Nigerian government has tripled the number of poor in 40 years.

The United States of America is not alone in the provision of stimulus. In the United Kingdom, government paid those who lose their jobs as a

result of COVID-19, 80% of their wages. Cash grants are granted to small businesses (<https://www.gov.uk/government/news/chancellor-announces-workers-support-package>). Also, in Australia, the government paid small businesses to keep their workers in employment and makes payment to those on government benefits including the elderly, the poor and veterans (<https://www.theguardian.com/business/2020/mar/is/what-australian-governments-coronavirus-stimulus-package-means-for-you-explainer>). In Germany, government raised \$55 billion for small business, self employed people, freelancers and farmers. These categories of people and companies can apply to receive up to \$16,200 to cover operating costs. It also increased spending on PPE, vaccine research and other public health measures. Provisions are made for Child care benefits for low income parents and easier access to welfare for the self employee (<https://www.bundesfinanzministerium.de/Content/EN/Presscommiteilungen/2020/2020-03-23-supplementary-budget.html>).

## 5. Conclusion

This paper has been able to establish the difference between palliatives and stimulus which lies in what each of the two concepts is out to serve. The conclusion is that while stimulus packages are human in all its entirety palliatives are ingredients provided by government for the survival of the citizens and not for better living. The paper also concluded that while provisions are made for almost all the sectors by the government of the United States of America, through appropriate legislations, to attack the negative effects of the impact of COVID-19 pandemic in and out of the country vide stimulus packages, Nigeria government employed an haphazard approach through what is called Palliative package which hardly has any impact in the lives of its citizens. In actual fact the palliatives are not backed up by any known law thus uncoordinated with criticisms and complaints trailing the exercise. Therefore, for developing nations seeking to grow and develop the potentials of their citizens palliatives can never bring them out of poverty talkless of

meaningful development. This is because it is the cumulative outputs and effects of individual contribution in a nation that translate into what the nation becomes. And, without the provision of a conducive environment and appropriate stimulus by the government of a nation, especially Nigeria, in this regard the country will continue to lag behind in the area of growth and development in the comity of nations. In other words, the study concluded that the main aim of the Nigerian government is not to lift its citizens out of poverty but to provide relief materials to sustain some of the citizens during the COVID-19 pandemic. However, the implementation of the programme is not only faulty but lacking in strategy for success.

## 6. Recommendations

Having established that palliatives are not in any way the best option if a nation is really interested in moving its citizens out of poverty dungeon, the following recommendations are suggested for consideration:

- Government should provide appropriate stimulus for the citizens so as to believe in their fatherland and be committed to the Nigerian project. This would make them to contribute positively to ensure the transformation of the country into a world power.
- There is the need for a total and general overhauling of all the COVID-19 related policies with the aim at moving them beyond the level of being palliatives.
- There is the need for internal regeneration of the leadership mentality which is anchored on provision of palliatives.
- Specific legislation should be promulgated to cater for the different sectors of the economy in order to give them appropriate attention and provisions.
- The different types of loans should be available at a low interest rate with long moratorium and repayment period. This is because not many poor households and businesses in the informal sector

know about the availability of the economic packages and policies by the government.

- Government should do away with middlemen who, are not directly involved on issues related to the masses, who in most cases interface with the people on behalf of government.

## References

- apps.who.int.COVID-19  
 congress.gov  
 Egbesola, F. (2020). ‘Small Businesses worry over Access to Stimulus Package’. The Punch, April 3.  
 Home.kpmg  
<https://www.bundesfinanzministerium.de/content/EN/pressemitteilung/2020/2020-03-23-supplementary-budget.html>  
<https://www.cribe.com/2020/08/10/enhanced-employment-would-continue-at-400-per-week-under-trump-executive-order.html>  
<https://www.ed.gov/coronavirus>  
<https://www.federalreserve.gov/newsevents/pressrelease/monetary/20200728a.htm>  
<https://www.federalreserve.gov/newsevents/pressreleases/files/monetary/20200318a.1.pdf>  
<https://www.federalreserve.gov/newsevents/pressreleases/files/monetary/20200409a6.pdf>  
<https://www.federalreserve.gov/newsevents/pressreleases/monetary/20200317b.htm>  
<https://www.federalreserve.gov/newsevents/pressreleases/monetary/20200728a.htm>  
<https://www.federalreserve.gov/newsevents/pressreleases/monetary/20200409.htm>  
<https://www.gov.uk/government/news/chancellor-announces-workers-support-package>  
<https://www.investopedia.com>  
<https://www.newyorkfed.org/markets/opolicy/operating-policy-200312a>  
<https://www.theguardian.com/business/2020/mar/12/what-australian-governments-coronavirus-stimulus-package-means-for-you-explained>  
 Oderemi, K. (2020). ‘Nigeria Economy: Multifaceted Wounds of COVID-19’. Sunday Tribune. June 7.  
 USA Today (2020). “An Administrative Nightmare” Trump’s Executive Action is a seramble for Unemployee aid, <https://www.usatoday.com/story/money>

/2020/08/08unemployment-benefits-trumps-executive-orders-challenge/3328428001  
Wall Street Journal (2020). 'What's in Trump's Executive Actions on Coronavirus Aids and What's No: <https://www.wsg.com/articles/what-we-know-about-trumps-proposed-stimulus-executive-orders-11596895204t>.

[www.cbn.gov.ng](http://www.cbn.gov.ng)

[www.ey.com](http://www.ey.com)

[www.investopedia.com](http://www.investopedia.com)

[www.investopedia.com/a-history-of-bear-markets-4582652](http://www.investopedia.com/a-history-of-bear-markets-4582652)

[www.aa.com.tr](http://www.aa.com.tr)