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THE EFFECT OF CORONAVIRUS PANDEMIC ON ENTREPRENEURIAL BUSINESS IN DEVELOPING ECONOMIES: EVIDENCE FROM LAGOS, NIGERIA.

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Abstract

The current coronavirus pandemic has affected many entrepreneurial ventures leading to close of business operations, loss of customers and low level of business value. In this paper, the study specifically investigates the effect of lockdown on entrepreneurial business in the Nigerian; and as well evaluates the impact of social distance on workers performance. To achieve the spelt objectives, the study utilized survey design; and data was collected through self-administered questionnaire from a number of 275 respondents who were staff of three randomly selected entrepreneurial firms in Lagos, Nigeria. Statistical technique software SPSS was employed to aid the data analysis. Having analyzed the data, the study found out that: Coronavirus pandemic crisis due to total lockdown negatively affected the productivity of large scale entrepreneurial businesses. It was also discovered that pandemic stimulated high demand for food stuff which encouraged panic buying. The work recommended that government should support entrepreneurial firms with financial and palliative measures so as to sustain their workforce during and after the crisis.

Keywords: Entrepreneurial Business, Lockdown, Social Distance, Coronavirus Issue

INTRODUCTION

In recent time, coronavirus pandemic is a new challenge for entrepreneurial businesses, and no single organization has all the answers for how to address it. That's why it's more important than ever to build partnerships and sustain dialogues between implementing organizations, governments, foundations and donor organizations, the private sector, convening organizations, and others in the entrepreneurial ecosystem (Muhammad, Abdulkareem, & Chowdhury, 2020). It is causing entrepreneurial businesses loss of life and severe human suffering globally. It is the largest public health crisis in living memory, which has also generated a major economic crisis, with a halt in production in affected countries, a collapse in consumption and confidence, and stock exchanges responding negatively to heightened uncertainties, having appeared first in China, the pandemic has now spread in Europe and around the globe, with a spill over on social stability and security (OECD 2020)

In 2019, the global economy grew 2.4 percent, the lowest rate since the global financial crisis. The global composite output Purchasing Managers' Index (PMI) had increased moderately in December and the manufacturing component signaled a firming of global manufacturing activity, which had weakened since early 2018. The services sector was broadly stable and grew further in December. Global survey data pointed to continued recovery at the start of the year, with the composite PMI rising to a 10-month high of 52.2 and the manufacturing PMI reaching a 9-month high of 50.4 in January 2020. Survey measures of manufacturing new export orders had improved, spurred by reduced trade policy uncertainty amid progress in U.S.-China trade negotiations.

The January 2020 Global Economic Prospects report of the World Bank had forecast that global activity would rebound in 2020. This projected pickup was already fragile, being predicated on a recovery in a few large emerging markets and developing economies (EMDEs), while growth was expected to continue to slow in China, the euro area, and the United States—Sub-Saharan Africa's key trading partners. The spread of the COVID-19 virus means that this rebound will not occur, and global activity will instead contract in 2020. These economic and social repercussions were further exacerbated by subsequent public health interventions implemented by the Government of Nigeria to contain the pandemic, which restricted movement across the country. Emergency measures imposed by the Government of Nigeria, to prevent the spread of virus included closure of schools and colleges, cinemas, curtailment of movement and gatherings, and quarantine measures on the places hardest hit by the virus as outlined in (Levine and McKibbin 2020).

Ozili, (2020), explains that coronavirus pandemic grows; it is threatening the survival of micro and small businesses around the world. Quarantines, shelter-in-place orders, and social distancing make it difficult for many of these enterprises to carry out business. While there has understandably been a great deal of attention paid to the question of how to save small businesses; in Nigeria, micro and small businesses in developing countries are in many ways even more vulnerable to the impacts of this crisis. Nevertheless, it is vitally important to save these businesses. Micro and small businesses form the backbone of emerging economies: The International Labor Organization, approximately said 90% of employment in Sub-Saharan Africa and South Asia is in enterprises with fewer than 49 employees, as is 75% of employment in Latin America and the Caribbean. These businesses also provide a market for local producers and a source of basic goods and crucial services for vulnerable communities—more important now than ever—reaching populations often overlooked by larger firms (Arinaitwe, 2006).

Larry Elliot, L. (2020) says that global economic downturn is not restricted to a particular region or economic block. The impact and experiences are creating chaos and sending waves which mostly defied generalized policies and recommendations by major world international consortiums and economic bodies. The resultant effect caused economy recession which degenerate to massive jobs cut by existing companies and closures of so many small and medium sized enterprises (SMEs) (Mian, & Sufi, 2010). Agu, Nnaemeka, and Nneka (2016) observed that economic indices for most nations of the world especially in developing countries are characterized with massive unemployment, high interest rate and fall in aggregate demand, reduction in income and wages and increasing foreign debts. It is against this backdrop that this study attempts to investigate the effect of lockdown on entrepreneurial business in the Nigerian; and as well evaluates the impact of social distance policy of the coronavirus issue on workers performance

LITERATURE REVIEW

Entrepreneurship Concept

Entrepreneurship development is concerned with the study of entrepreneurial behavior, the dynamics of business set-up, development and expansion of the enterprise. Entrepreneurship development also refers to the process of enhancing entrepreneurial skills and knowledge. It basically aims to enlarge the base of entrepreneurs in order to hasten the pace at which new ventures are created. This accelerates employment generation and economic development (Navarro, 1998; Gebel & Giesecke, 2016).

This focuses on the individual who wishes to start or expand a business. It also focuses on developing the enterprise. Therefore, this concept of entrepreneurship development has two aspects or levels. The first level deals with the development of entrepreneurial personality-skills, motivation, values and behaviour of an individual that will enable him/her perform the entrepreneurial role or task. Entrepreneurship development as the imparting or building in the actual entrepreneurs, potential traits and behavioural characteristics, the necessary skills and competencies to make them effective and better-behaved individuals in their entrepreneurial roles. The second aspect deals with pulling together of resources to form a productive and operating enterprise (Shameen, 2016). In other words, it is the creation and operation of a business venture. It involves the actual investment of financial resources, time and effort, and carrying out managerial functions to ensure the success of the enterprise

i.e. to ensure that its profit-making objective is realized. In this perspective, entrepreneurship development is concerned with the commitment of resources to a business venture. Simply, it is the process of business ownership and operation (Duru 2011).

Mckenzie, Ugbah and Smothers (2007) opined that entrepreneurship involves individuals and groups of individuals seeking and exploiting economic opportunity. Most developed countries promote entrepreneur and considered entrepreneurship as very vital to the growth and development of any country (Syed, Musaffa & Minna, 2017). The continuous promotion of entrepreneurship as a propelling growth of the economy, social status and employment as well as livelihood creation could not be over emphasized (Alam, Rohani & Kamaruddin, 2015; Teoh & Chong, 2014). Entrepreneurship is the backbone of the economy and the mandate for the wealth of our nations (Emmanuel, 2016). The role of the entrepreneur as an agent of economic growth and employment generation in the society has gained considerable attention both in the literature and the policy thrust of well-developed and developing economies (Lauder, Bookcock, & Presley, 1994). Some economic literature (Kemerschen, Mckenzie, & Nardinelli, 1996) recognizes the vital importance of entrepreneurship, by calling it the fifth factor of production. What makes entrepreneurship significant is the ability to create a commercial or industrial enterprise, and this can be very crucial to the advancement of social progress. The creation of small and medium scale enterprises and their subsequent expansion through successful development adds to the productive capacity of a nation. Moreover, it takes the growth of successful SMEs to grow into large and multinational corporations (Sum, Kow, & Chen, 2004).

Entrepreneurship has been characterized as productive and unproductive (Baumul, 1993). Productive entrepreneurship contributes to economic growth while unproductive entrepreneurship results in net reduction in social income and wealth. Unproductive entrepreneurship is viewed as the manifestation of rent, seeking behaviors that add no positive value to society. Thus, only when entrepreneurship is productive can it make positive contribution to a nation's output. It has shown that that entrepreneurial businesses play crucial roles in the economic development of countries (Ogundele; 2006). They are more likely to employ more workers than their large scale counterparts. They complement large scale organizations as training workshops for skills development of industrial workers as well as establish forward and backward linkages to economic activities in the society. Consequently, many countries now see entrepreneurial businesses as instrument for fighting poverty and under – development and are paying more attention in their economic policies toward the development of this class of enterprises.

Ogundele (2006) says that entrepreneurship is everywhere around us. It can be found in the smallest of the family shops and it can be found in every global organization anywhere in the world. Our economy is based on entrepreneurship. For a while now, entrepreneurship has created huge interest among researchers and a lot of studies about entrepreneurship is quite overwhelming. Beeka and Rimmington (2011) described entrepreneurship as a way of integrating individuals into the economy. Fatoki (2014) buttresses his point by describing entrepreneurship as one of the ways to improve the standard of society by reducing poverty, crime and income inequality and inducing economic independence and economic development. Meanwhile, Adelekan and Dansu (2016); Santana, Hoover and Vengadasubbu (2017) explained entrepreneurship as a dynamic process of vision, change and creation that requires an application of energy and passion, toward the creation and implementation of new ideas and creative solutions. It is also described as an activity to identify an opportunity, to initiate an action to utilize it and to create a business to implement the actions purposely to make profit (Peverelli & Song, 2012). It is an act of how, by whom and with what effect opportunities to create future goods and services are discovered, evaluated and exploited (Scott & Venkataraman, 2000).

Entrepreneurial development will encourage entrepreneurs to create fresh enterprises, new commercial activities, and new economic sectors. They will generate jobs for others; produce goods and services for society; introduce new technologies and improve or lower cost outputs; and earn foreign exchange through export expansion or the substitution of imports. Entrepreneurial development will mobilize domestic savings and utilization of local resources.

Entrepreneurs are the innovating individuals responsible for the emergence, growth and survival of venture enterprises when non – existed before. There are several types of entrepreneurs and they are (Anderson, J. 2010):

Public entrepreneurs: these are senior government officials or politicians who run public enterprises on behalf of the larger society.

Private entrepreneur: these are innovators operating sole proprietorship, partnership or corporate ventures that are privately owned, solely for profit making.

Indigenous entrepreneurs: these are domestic operators running privately owned ventures for profit motive e. g. Industrial and General Insurance Company Limited.

Foreign entrepreneur: these are expatriate innovators running privately – owned ventures in countries other than their own for profit motive. e. g. multinational subsidiaries or corporations.

Traditional entrepreneur: these are innovators running independently – owned and independently operating ventures, using simple conservative or rural technology.

Modern entrepreneur: these are innovators who owned and operate private ventures using complex, radical or urban technology.

Craftsman entrepreneur: these are innovators who possess highly specialized technical expertise to capitalize on a new product invention of his own or an unusual opportunity e.g., purchasing of a failing company or used equipment by welders, artisans, technologists, tradesman etc.

Opportunistic entrepreneur: this is an innovator who received well rounded education and experience.

Refugee entrepreneur: these are entrepreneurs who escaped or run away from certain environmental exigencies that led to starting their new venture.

Woman entrepreneur: this is a female head of a business who has taken initiative of launching a new venture, who is accepting the associated risks and the financial, administrative, and social responsibilities and who is effectively in charge of its day – to – day management.

Source of Economic Vitality

Entrepreneurship is often said to be the catalyst for an improved economic performance and poverty reduction. It could rejuvenate the market through the creation of new businesses which pilots job creation and promotes dramatic innovations. Fundamentally, entrepreneurship positively affects the strength and stability of a country's economy through:

Innovation

Entrepreneurs are known for their nature of challenging status quo and seize opportunities that could have been overlooked by others. Their distinctive ideas propel new start-ups to move forward and inject the industry with creative and innovative ways of doing business. It can be in the form of new products or services, improved business processes or discovering new markets for existing products. The formation of new or improved businesses increases the competitiveness of the nations industries in the global world and adds a boost to the nation's economy. The report by New Straits Time December 24, 2008 indicated that, small land medium enterprises (SMEs) contributed 32 percent of the Gross Domestic Product (GDP).

Job Creation

The Malaysia economic recession in 1997 that led to a massive companies downsizing exercise was lesson that needs to be kept in mind. The unemployment rate skyrocketed and retrenched individuals were left high and dry. During that period of slump, entrepreneurship managed to salvage the life of some of these individuals by providing an alternative source of income. At present, entrepreneurship is still needed to create new jobs in the economy as large firms are no longer generating jobs as they once used to. Large organizations are downsizing to cut cost and to remain competitive.

Furthermore, jobs are being eliminated through the employment of technology instead of workers. Entrepreneurship is needed to create new businesses that generate new jobs in the economy. For example, in the report by Utusan Malaysia (2007) and SME Annual Report (2005), SMEs in Malaysia generated employment opportunities for 5.6 million individuals and is the major employer in the labour market.

Globalization

Globalization has created an avenue for revenue generation in an economy through export. Globalisation has also created more opportunities not only to larger firms but also spillover effects to the downstream industries. This spillover effects have had relatively positive impacts to smaller entrepreneurial firms within the supply chain. In fact, theses smaller firms has been successfully supporting the supply chain business of the larger multinational corporations in Malaysia through the concept of vendors.

Coronavirus and Its Effect on the Entrepreneurial Business

There are several ways the coronavirus pandemic (Covid-19) affects the economy, especially entrepreneurial business, on both the supply and demand sides. On the supply side, companies experience a reduction in the supply of labour, as workers are unwell or need to look after children or other dependents while schools are closed and movements of people are restricted (Horowitz, 2020).

Lockdown Effect

On the *demand side*, a dramatic and sudden loss of demand and revenue for entrepreneurial business severely affects their ability to function, and/or causes severe liquidity shortages. Consumers experience loss of income, fear of contagion and heightened uncertainty, which in turn reduces spending and consumption. These effects are compounded because workers are laid off and firms are not able to pay salaries. Some sectors, such as tourism and transportation, are particularly affected, also contributing to reduced business and consumer confidence. Entrepreneurial businesses are likely to be more vulnerable to ‘social distancing’ than other companies. Measures to curtail the disease by lockdowns and quarantines lead to further and more severe drops in capacity utilization and supply chains are interrupted leading to shortages of parts and intermediate goods (Jagannathan, Kapoor, & Schaumburg, 2013). Financial Times (2020) reported that, the pendulum of lockdown effect will not swing in favour of most of entrepreneurial businesses that relied much on imported raw materials and service of experts from abroad. The border and interstate lockdown will add cog to the wheel of entrepreneurial business’s productivity and set back to the performance of entrepreneurial business not only in Lagos but a general global phenomenon (Georgieva, 2020).

Social Distance Effect

The Covid-19 pandemic affected the entrepreneurial business in Nigeria in two ways. One, the spread of the virus encouraged social distancing which led to the shutdown of financial markets, corporate offices, businesses and events. Two, the rate at which the virus was spreading, and the heightened uncertainty about how bad the situation could get, led to flight to safety in consumption and investment among consumers and investors (Ozili and Arun, 2020). There was a general consensus among top economists that the coronavirus pandemic would plunge the world into a global recession. Top IMF economists such as Gita Gopinath and Kristalina Georgieva (2020) stated that the Covid-19 pandemic would trigger a global recession.

Economy Effect

There are five main ways through which the Covid-19 pandemic spilled over into Nigeria. One, the Covid-19 pandemic affected borrowers’ capacity to service loans, which gave rise to depressed banks’ earnings and eventually impaired bank soundness and stability. Subsequently, banks were reluctant to lend as more and more borrowers struggled to repay the loans granted to them before the Covid-19 outbreak. Two, there were oil demand shocks which was reflected in the sharp decline in oil price. The most visible and immediate spillover was the drop in the price of crude oil, which dropped from nearly US\$60 per barrel to as low as US\$30 per barrel in March. During the pandemic, people were no longer travelling and this led to a sustained fall in the demand for aviation fuel and automobile fuel which affected Nigeria’s net oil revenue, and eventually affected Nigeria’s foreign reserve. Three, there were supply shocks in the global supply chain as many importers shut down their factories and closed their borders particularly China. Nigeria was severely affected because Nigeria is an import-dependent country and as a result Nigeria witnessed shortage of crucial supplies like pharmaceutical supplies, spare parts, and finished goods from China. Four, the national budget was also affected. The budget was initially planned with an oil price of US\$57 per barrel. The fall in oil price to US\$30 per barrel meant that the budget became obsolete and a new budget had to be formed that was reprinted with the low oil price (African Economic Outlook AEO, 2019).

Financial Issue Effect

The impact of the virus could have potential spill-overs into financial markets, with further reduced confidence and a reduction of credit. These various impacts are affecting both larger and smaller firms. However, the effect on SMEs is especially severe, particularly because of higher levels of vulnerability and lower resilience related to their size (Aiyedun, 2019). In response to the Covid-19 outbreak, the monetary authority, the Central bank, said it would provide support to affected households, businesses, regulated financial institutions and other stakeholders to reduce the adverse economic impact of the Covid-19 outbreak. The central bank provided support in six ways. One, it granted extension of loan moratorium on principal repayments from March 1, 2020. This meant that any intervention loan currently under moratorium would be extended by one year. Two, it offered interest rate reduction on all intervention loan facilities from 9% to 5% beginning from March 1, 2020. Three, it offered a NGN50bn (US\$131.6m) targeted credit facility to hotels, airline service providers, health care merchants, among others. Four, it provided credit support to the healthcare industry to meet the increasing demand for healthcare services during the outbreak. The loan was available only to pharmaceutical companies and hospitals. Five, it provided regulatory forbearance to banks which allowed banks to temporarily restructure the tenor of existing loan within a specific time period particularly loans to the oil and gas, agricultural and manufacturing sectors. Six, it strengthened the loan to deposit ratio (LDR) policy which allowed banks to extend more credit to the economy. On the other hand, the fiscal authorities had to review and revise the 2020 national budget of N10.59 trillion (US\$28 billion). The government announced that the budget was reduced by NGN1.5 trillion (\$4.90 billion) as part of the measures to respond to the impact of coronavirus on the economy and in response to the oil price crash. The new budget was benchmarked at US\$30 per barrel from US\$57 per barrel in the previous budget. Finally, the Covid-19 pandemic affected the Nigerian stock market. Major market indices in the stock market plunged when investors pulled out their investments into so-called safe havens like US Treasury bonds.

The coronavirus is not only disrupting businesses; it's also disrupting how organizations reach the businesses they support. The same restrictions and obstacles that keep shoppers out of stores also keep business advisors from visiting entrepreneurs.

METHODOLOGY

This study adopted descriptive survey. The choice for survey research design was because it is valuable for assessing opinions, perception and trends for a given phenomenon. The target population of the study includes the management and non management staff of three randomly selected entrepreneurial businesses in Lagos metropolis, Nigeria. These entrepreneurial businesses were: One Private, One Public and One Foreign. These firms were randomly selected. The population of staff of these firms was 882. Sample size of 297 was drawn using statistics formula. Convenience sampling technique was adopted to select the respondents from the population. The rationale for this is that respondents at the entrepreneurial businesses are often too busy to be contacted. The instrument for data collection used in this research was a structured closed-end questionnaire. The questionnaire has two parts. All the questions in part A provides general information about the respondents while the remaining questions in part B address the research questions. Five-point Likert scale format was used. There were 7 questions in the questionnaire. The organizational processes were observed in the various companies by the researcher. The instrument was validated through face validity and the result of reliability test shows an overall Cronbach Alpha of 0.79, indicating high reliability of the instrument.

RESULTS, FINDINGS AND DISCUSSION

The presentation and interpretation of data were based on questionnaire administrated to the staff of the selected three entrepreneurial businesses in Lagos state, Nigeria. A total two hundred and ninety—seven (297) copies of the questionnaire were distributed to the respondents. A total of two hundred seventy-five (275) copies were returned while twenty two copies (22) were not returned.

Table 1: Biographical Data of the Respondents

Biography Information	Option	Freq	Percent
Gender	Male	148	53.7%
	Female	127	46.2%
	Total	275	100%
Entrepreneur Types	Private	165	60%
	Public	90	32.7%
	Foreign	20	7.3%
	Total	275	100%

Source: Researcher Field Survey, 2020

The biographical information shown above revealed that many of the respondents of the selected three entrepreneur businesses were male (54%). Also, majority of the respondents in the business were of Private and Public entrepreneurial business (92.7%) which definitely give the work more meaningful responses since the issues relating to Coronavirus pandemic affect their business most.

Research Objective one: What impact would lockdown have on entrepreneurial business performance?

Table 2: Respondents Responses to the Question One

S/N	Question Items	SA (5) No. (%)	A (4) No. (%)	U (3) No. (%)	D (2) No. (%)	SD (1) No. (%)	Total
1	Lockdown will affect entrepreneurial productivity	96(34.9%)	73(26.5%)	16(5.8%)	45(16.4%)	45(16.4%)	275
2	Lockdown will influence firm effectiveness	104(37.8%)	76(27.6%)	7(2.5%)	48(17.5%)	40(14.5%)	275
3	Lockdown will impact on firm productive capacity process	94(34.2%)	82(29.8%)	12(4.4%)	47(17.1%)	40(14.5%)	275
4	Lockdown affects entrepreneurial business profit	111(40.4%)	78(28.4%)	6(2.2%)	40(14.5%)	40(14.5%)	275

Source: Researcher Field Survey, 2020

Research Objective Two: The extent to which impact of social distance on workers performance?

Table 3: Respondents Responses to the Question Two

S/N	Question Items	SA (5) No. (%)	A (4) No. (%)	U (3) No. (%)	D (2) No. (%)	SD (1) No. (%)	Total
1	Social distance stimulates employee effectiveness in workplace	45(16.4%)	45(16.4%)	16(5.8%)	73(26.5%)	96(34.9%)	275
2	social distanceteamwork will enhances firms" performance	40(14.5%)	48(17.5%)	7(2.5%)	76(27.6%)	104(37.8%)	275
3	Social distancedevelops firm overall innovative ability	40(14.5%)	47(17.1%)	12(4.4%)	82(29.8%)	94(34.2%)	275

Source: Researcher Field Survey, 2020

Two hypotheses were formulated and are tested as follow using z-test.

HO₁: Lockdown to a greater extent does not impact negatively on entrepreneurial business performance

HA₁: Lockdown to a greater extent impact negatively on entrepreneurial business performance

Table 4a: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Decisions on Lockdown and Entr. Business Performance	275	39.6000	19.84103	3.96821

Table 4b: One-Sample Test

	Z	df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Decisions on Lockdown and Entr. Business Performance	9.979	274	00.00	39.60000	31.4100	47.7900

Source: SPSS Analysis of Field Data 2020

Having analyzed the data from the questionnaire using one-sample z-test to examines if lockdown to a greater extent impact on entrepreneurial business performance, the Tables 5a&b revealed that the z-test result shows the existence of significant result on the variables ($z = 9.979 > \text{at } p < 0.05$). The significant level was found to be 0.00, and due to this we reject the null hypothesis and accept the alternate one which states that lockdown to a greater extent impact negatively on entrepreneurial business performance. This conforms to the study of Jagannathan, Kapoor and Schaumburg, (2013) and Georgieva, (2020) who both argued that the lockdown can encourage loss of business, increased social vices and business volatility, although this study outcome negates the finding of Horowitz (2020) that stated that the long-run benefits supersede the short-run as it will saves the country loss of lives and health hazards

HO₂: Social distance would not negatively impact on entrepreneurial business performance

HA₂: Social distance negatively impact on entrepreneurial business performance

Table 5a: One-SampleStats

	N	Mean	Std. Deviation	Std. Error Mean
Decisions on Social distance and Entr. Bus Performance	275	32.6000	19.83103	3.86331

Table 5b: One-Sample Test

	Z	df	Sig. (2tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Decisions on Social distance and Entr. Bus Performance	8.969	274	0.002	32.60000	29.4100	37.7950

Having analyzed the data from the questionnaire using one-sample z-test to examines the impact of social distance on entrepreneurial business performance, the Tables 5a&b revealed that the z-test result shows the existence of significant result on the variables ($z = 8.969 >$ at $p < 0.05$). The significant level was found to be 0.002, and due to this we reject the alternate hypothesis and accept the null one which states that Social distance negatively impact on entrepreneurial business performance. This finding is in support with the submissions of (Gopinath & Georgieva, 2020; Ozili & Arun, 2020) as they explained that social distance has nothing than to give the successful business ventures a distress from effective functioning.

CONCLUSION AND RECOMMENDATIONS

This study on the effect of coronavirus pandemic on entrepreneurial business was undertaken to establish the relevance of the coronavirus pandemic on entrepreneurial business in selected large scale firms in Lagos Nigeria. A lot of studies have been carried out on the Covid-19 pandemic and economic crisis, and it is a known fact that it does. However, the place of the entrepreneurial business needs to be determined, and particularly in local firms in Nigeria. To this end, this study focused on the activities of private, public and foreign entrepreneurial business all in Lagos States. It showed that the spillover of Covid-19 pandemic into Nigeria coupled with declining oil price, which were external shocks, caused the economic crisis in Nigeria in 2020. The structural problems in Nigeria at the time prolonged the economic crisis. The results also show that entrepreneurial challenges are typical of every emerging economy. The crisis challenges were very minimal in some states in Nigeria but quite significant in Lagos State and vice versa. However, the challenges would continually hamper entrepreneurial activities, and inexorably increase the failure rates of entrepreneurship in these economies if the challenges persist.

Based on the findings of this study, it is recommended that;

1. The key monetary and fiscal measures of the Federal Government of Nigeria (FGN), should aim at cushioning the economic impact of the virus. It's very important to quickly find effective ways to provide support to entrepreneurs
2. Organizations' need to work in tandem with the government to ensure that any stimulus or actions are aligned. This can help lessen any short term pain and potentially give way to long-term opportunities.
3. Large Scale Firms should try to motivate and sustain their workforce, because they are the indispensable assets that promote organization growth during and after the crisis.
4. These uncertain times, businesses must act with integrity and empathy to navigate the current challenges and retain their customers when the crisis ends. By treating customers in the right way now, organizations are able to continue to nurture and likely to retain them in the long-term

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