

ECONOMIC CRISES IN NIGERIA: A PSYCHOLOGICAL PERSPECTIVE

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ABSTRACT

Nigeria's economy is experiencing severe economic depressions as a result of economic crisis. Due to the crisis, there has been significant inflation and depreciation in the monetary value of Nigerians currency when compared with other countries. Nigeria seems to be in a shadow of its self with the high level of borrowing and expenditure by the government which has kept the people in mental slavery and had encouraged the jakpa syndrome as well. As a result of these economic crises, the academic sector has received little or nothing from the yearly budget which reduced the educational quality the country. Some of our certificates are seen as fake which had made individuals either to enroll for certain programs to augment their certificate once they travel or they start life afresh. Lecturer's salaries and allowances are delayed for months and as a result, some, if not all lecturers, do not give in their best while teaching the students, some have resorted to sorting and many illegal means just to maintain their family while some are doing menial jobs like taxi- driving, land and house agents to survive the hard economy. Unemployment, kidnapping, internet frauds, prostitution, bribery and corruption, incessant killings by unknown gun men, outpour of aggressions in families with fights and exhibition of callous behaviors are on the increase in Nigeria, all as a result of serious economic crises in the country. In conclusion, it is recommended that proper psychological assessment and diagnosis of the people combined with psychotherapy, family support, social support system and economic empowerment are the keys to success for long lasting interventions.

Key Words: Economic Crises, Nigeria, Psychology

INTRODUCTION

Nigerians' mental health and wellbeing are becoming increasingly important as the nation struggles with a worsening depression and a rising suicide rates. It appears that the recent spike in the number of depression cases in Nigeria can be attributed mostly to inflation and a high degree of insecurity. Fuel scarcities, epileptic power supply, unemployment, increase in strike action, kidnappings and many others make it more difficult to deal with (Onyemaechi et.al, 2022). World Bank (2018) reported that about 22 percent of Nigerians are chronically depressed. Despite an extensive amount

of research on the relationship between economic crises and psychological well-being, it is crucial that most of these studies have been carried out in advanced nations with little or no such study in Nigeria, hence the need for this paper. Regarding economic crises and their effects on psychological well-being, there is a dearth of research that specifically addresses Nigeria.

An economic crisis is characterized by a recession in a country's economic activities and a state in which the global economy appears to be distorted (Kumuyi, 2010). Economic crises are defined as circumstances where a nation's economy experiences an abrupt decline in strength, which is typically the result of a financial crisis. A recession, a depression, or stagflation could be the form of the economic crisis (Doinita & Alina, 2013). According to the National Bureau of Economic Research (2017), an economic crisis is characterised by a severe downturn in economic activity that affects all sectors of the economy and lasts longer than a few months. This fall can be seen in real income, gross domestic product, employment, industrial production, and wholesale and retail sales. Typically, the economic crisis is characterised by a sustained rise in unemployment, a collapse in the stock market, negative GDP growth, and a decline in the domestic market. According to Mailafia (2016), economic crises cause wage growth to stagnate, the percentage of individuals earning low wages to rise, unemployment to rise dramatically, and negative economic experiences to increase. In addition, Nigeria's economy is also grappling with internal economic distortions as a result of the economic crisis. Due to the crisis, there has been significant inflation and depreciation of school infrastructure as a result of poor maintenance and a grossly weakened value of the naira to cover daily operating costs for educational institutions opined Onyemaechi et.al (2017). Unfortunately, the labs, libraries, and classrooms that are offered to universities

appear to be in poor condition. Some schools sit under the rain and the hot weather, while some study in dilapidated building all in the name of Nigeria economic crises.

Adegbesan and Gbadamosi, (2009), observed that economic crisis which caused recession has depressing effect on the wellbeing of the lecturers and students in higher institutions of learning in Nigeria. Facilities required for effective lecturing/teaching and practicals are not provided or insufficient. Incessant strike action, delay and non-payment of lecturer's salaries and allowances are common phenomenon within the University community. Lecturer's salaries and allowances are delayed for months and as a result, some, if not all lecturers, do not give in their best while teaching the students, some have resorted to sorting and many illegal means just to maintain their family while some are doing menial jobs like taxi- driving, land and house agents to survive the hard economy in the country called Nigeria. As a result of these incessant strike actions by teachers and lecturers, some students seemed to have devised illegal means of survival by indulging in internet fraud, kidnapping and many other corrupt practices which may send some unlucky ones to prison or death (Anazonwu et.al, 2016).

Achimugu (2016) also disclosed that numerous Nigerian institutions have implemented cost-cutting measures in order to survive the nation's economic downturn, such as reducing administrative staff, eliminating unnecessary travel, postponing maintenance, lowering consumable supply costs, and lowering staff training expenses. Long-term governmental underfunding and poor oversight of education are likely to make the problems in the field of education worse.

People's lives are profoundly impacted by inadequate financial resources, and this influence goes beyond their financial condition. It not only has detrimental financial consequences, but it also

causes financial stress and poor psychological well-being. According to Okoye, Onyemaechi and Umenweke, 2017; Richardson, Elliott, and Roberts (2013) and Sweet, Nandi, Adam, and McDade (2013), experiencing financial shortage raises stress and anxiety levels. Furthermore, as reported by Hilbert, Van Dijk, and Noordewier (2022) it can lead to “poverty traps” that are marked by excessive borrowing, discounting future rewards, and financial avoidance. Financial scarcity has an impact on psychological well-being that extends beyond the economic domain. Beyond the mere lack of mental illnesses or symptoms, mental health is a crucial component of psychological well-being. It is an important tool that enhances productivity and general well-being. As indicated by Herrman, Saxena, and Moodie (2005), people who are in good mental health are able to identify their strengths, manage daily stresses, work productively and meaningfully, and give back to their communities.

Furthermore, according to Priyanka, Annalisa, and Enrico (2021), economic crises like the demonetisation of an economy have the power to negatively affect a person's mental health as well as their general psychological well-being. Harsheen (2016) states that a lack of money coupled with economic downturn and crisis has been widely acknowledged as a contributing factor to a number of psychological well-being problems, such as depression and suicide. Examining global financial crises reveals this connection: nations enacting austerity measures, like Greece, Ireland, and England, saw an increase in suicide attempts and real suicides (Barr, Taylor-Robinson, Scott-Samuel, McKee & Stuckler, 2012; Central Statistics Office Ireland, 2012). In a Spanish study, Gili, Roca, Basu, McKee, and Stuckler (2013) showed that after an economic crisis, there was a statistically significant rise in the number of patients with mood depression, generalized anxiety disorder, somatoform disorders, and alcohol-related disorders. Furthermore, in accordance to a

World Health Organization (2007) research, the economic crisis has a secondary impact on mental health, increasing the rates of alcohol-related and suicide deaths.

Therefore, in the absence of policy measures, financial hardship restricts a person's ability to meet their requirements, produces unpleasant feelings, and triggers depression, all of which expose the affected person to an awful condition and subjective behaviour (McDaid et al., 2013). It is a precursor to illness, disease, psychotic condition, and even suicide as a result of stress, worry, and depression. It has also encouraged the adoption of harmful habits like alcohol abuse, drug usage, and excessive smoking (WHO, 2011). According to Baron, Franklin, and Hmielecki (2013), hardship affects a person's thoughts and behaviour, which can then have an impact on their physical health. For instance, substance addiction and alcoholism are common coping mechanisms used by many individuals, particularly men, to deal with emotional issues brought on by hardship. The relationship between hardship, psychological well-being, and human health is known as the "psychophysiological triangle" because it involves communication between the immune system, the endocrine system, and the central nervous system (Onyemaechi, Nwagbo, & Tingri, 2022). As a result of this, hardship results in bad psychological health, which in turn causes a weakened immune system and less defences against illness and infection; also, high levels of stress cause an increase in inappropriate endocrine activity (Ajaelu, Onyemaechi & Atalor, 2004; Elletier, 2002). According to Obidigbo (2021), the majority of people in Southeastern Nigeria may experience worry, stress, and psychiatric illness as a result of the financial crisis and socioeconomic pressures brought on by the region's ongoing poverty. Research has shown that one of the main factors linked to people's poor psychological well-being is unemployment. Thus, among these are the issues of growing costs for goods and services, insufficient food supply, children losing out on an

education, and unpaid rent. These typically cause tension, anxiety, and psychological illness, especially in younger people (Umenweke, Umenweke & Onyemaechi, 2017).

Cashless Policy is another form of economic crises experienced by Nigerians in recent times.

Nigerians woke up one day and faced the cash less policy which made so many people go hungry for days despite the fact they had money in their account. Others were impatient while waiting hours in long queues at banks for cash and were forced to undress in front of everyone to get service. The requirements of vulnerable groups, such as the elderly and physically disabled, appear to be disregarded by the cashless system. The elderly and people living in rural were not currently receiving enough help to guarantee their engagement and participation. People encountered major difficulties completing transactions and understanding the cashless system in the absence of easily available platforms, tools, and support. The government's apparent disregard to the mental health of its citizens causes concern in light of the attitude it has demonstrated. People appeared to have suffered from the financial crisis and uncertainty brought on by the policies. People's mental health appeared to be negatively impacted by the policy's financial challenges and uncertainty, as seen by elevated stress, anxiety, and even depression as well as an increase in fear of the unknown opined (Achebe & Onyemaechi 2023). According to Ani, Ajayi, and Batisa (2024), the economic crises in the Southeast caused by kidnappings, unknown gunmen, and the mandatory "Sit-at-home" policy on Mondays, which restricts movement and forces businesses to close, may have had a substantial impact on the observed low psychological well-being during the financial crisis. Eneoga, Chukwu, Obiora, and Ede (2023) list the following as contributing factors to Nigeria's economic crisis:

1. poor economic planning

2. inadequate implementation of economic planning policies
3. increased prices of commodities
4. conflicting of economic Policies
5. Petroleum subsidy Removal
6. Corruption,
7. Low productivity among others.

In conclusion, Onyemaechi, Okere, and Chukwuemeka (2017) stated that it is unacceptable for Nigerians to live in a state of poverty, illiteracy, and immorality in the midst of abundance at this era in history. As a result, the following recommendations are made to curb the adverse psychological effect of economic crises on Nigerians.

1. Agriculture: Agriculture should be well packaged and made to look highly appealing by the government. This will encourage the production of food in large quantities and boost agricultural output. The rate of unemployment and the mental health problems it causes will go down if young people are given the opportunity to engage in large-scale farming.
2. Mental Reorientation/ Cognitive Restructuring: Obi-Nwosu (2013) advocates for addressing the issue of slave mentality and reorienting one's mind to assess the stability of one's personality. Nigerians need a cognitive restructuring from slave mentality of borrowing and serving other nations and build our capacity as a nation to stand alone thereby reducing borrowing which makes us slaves to other nation.
3. Psychological Assessment: There is a great need for our leaders to undergo psychological assessment to ensure the stability of their psyche and capacity to rule a whole nation. This is to ensure that they make good policies and follow it.

4. Psychotherapy: people should be encouraged to present themselves for psychotherapy in order to withstand the economic crises as they occur. This will help to build their self-esteem and boost their confidence as well

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