

## **Influence of Covid-19 Pandemic on the Economy of Tokumbo Vehicles Trade-in Borno State: Implications for Counselling**

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### **Abstract**

The study was an opinion survey that investigated the influence of the covid-19 pandemic on the economy of *Tokumbo* vehicles trade in Borno State, Nigeria. The population of the study comprised of all fairly used secondhand car dealers in the State. However, 150 *Tokumbo* car dealers constituted the sample. Purposive and stratified random sampling techniques were used in selecting the sample. Researchers designed 18 items Structured Interview Schedule (SIS) tagged "Car Dealers Interview Schedule (CDIS)," and Focus Group Discussion (FGD) were the instruments used to elicit data for the study. The CDIS was divided into two parts (A & B). Part A collected information on demographic characteristics of the respondents, while Part B elicited data on sources of capital for the *Tokumbo* dealers, the brand of *Tokumbo* vehicles, and the influence of covid-19 pandemic on *Tokumbo* trade in Borno State, Nigeria. The CDIS was validated by three experts in the field of Business Administration of the University of Maiduguri, Borno State, and a coefficient of 0.74 was obtained using the Cronbach alpha reliability method for the internal consistency, which was considered relevant and adequate for the study. Descriptive statistics of frequency counts, percentages, and bar graphs were used in analyzing data collected for the study. Three objectives and three research questions piloted the study. Results of the study revealed loan and personal savings as some of the sources of capital for dealers in *Tokumbo* vehicles in Borno State. Toyota, Volkswagen, Honda, Mercedes Benz, and Peugeot were some of the brands of *Tokumbo* cars in the study area, while rent, loan repayment, and gross reduction in sales were some of the effects of the covid-19 pandemic on the trade in *Tokumbo* vehicles in Borno State, Nigeria. Based on the findings, implications for counseling, conclusions, and recommendations were made.

**Keywords:** *Tokumbo trade, Covid-19 pandemic, Vehicle brands, Implications for Counselling*



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### **INTRODUCTION**

Trade between Borno State and the international community pre-date Nigeria's independence, and it was enhanced by the Economic Communities of West African States (ECOWAS) protocol which permits free flow of goods and services within and between member nations. The items of trade between Borno State and the neighboring international community basically include agricultural and industrial products in addition to great potentials in tourism and mineral resources. Cross-border trade activities between Borno State and Cameroun, Niger, and Tchad have been flourishing on a wider scale right from time immemorial not until the monster of insurgency and coronavirus, also known as Covid-19 pandemic altered its course (Balami, 2016 and Balami, Ogbonna & Talba, 2017).

Trade-in *Tokumbo* vehicles in Borno State, Nigeria is relatively recent, dating back to the 1980s following the artificial economic catastrophe introduced by the scourge of Structural Adjustment Programme (SAP) that led to a drastic decline in industrial production massive unemployment, and abject poverty. The Structural Adjustment Programme introduced by the Military administration

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(General Ibrahim Badamasi Babangida regime) flushed out the middle-income class leaving them with no option but to rely on *Tokumbo* products. In Nigeria and Borno State, in particular, *Tokumbo* products refers to all fairly used or secondhand industrial products such as automobiles, clothes, footwear, computers, generators, fridges/refrigerators, air-conditions/split systems, fans, bicycles, electronics, and gas/electric cookers including cooking gears among others. *Tokumbo* in Borno State has different names over time, such as Cotonou or tourist. It is addressed as Cotonour because it's one of the major import areas through Benin republic and lastly Lagos in Nigeria. Although numerous perforated boarders connecting Nigeria, Niger, and Benin were used for importation, Cotonour happens to be the first known port to those engaged in the trade at the early stage of the business (Akanni & Gabriel, 2020). In Hausa-speaking areas of Kano State, for example, the fairly used secondhand vehicles are known as *Tuwaris* or *Kwatano* (corrupt names for tourists and Cotonou). Thus, *Kwatano* car or *'YarKwatano* simply means Cotonour car (Tasiu, Mustapha & Hamza, 2017).

The trade-in fairly used secondhand vehicles in Borno State gradually expanded; apart from the provision of meaningful employment, the attendant multiplier effects extend to other sectors of the economy such as revenue generation at all levels of government through import duties, tariff, demurrage, license, business premises tax and stickers/notice boards. Others include trades in upholstery, spare parts, tires, lubricants, vulcanizers, automobile mechanics, drivers, panel beaters, battery chargers (electricians), and car wash (Ayokunle, Oluyiwa & Omobowale, 2016 and Akanni & Gabriel, 2020). Trade-in *Tokumbo* or fairly used secondhand vehicles significantly facilitates the movement of humans, goods, and services within and outside the State, thereby boosting the economy.

In an attempt to enhance the economic strength of those engaged in the trade (secondhand car dealers), the Borno State government has in varying dispensations purchased a large fleet of buses for the State-owned mass transport service (Borno Express Service) Security Services (Army, Airforce, Immigration, Customs, Police, Vigilante, Civil Defence, DSS, SSS and Civilian Joint Task Force) to enhance their patrol and as well added to the fleet of Ministries, trade unions and other parastatals of the government. The trade thrives because the vehicles are relatively inexpensive and hard-wearing with the availability of spare parts. For instance, in the year 2000, a fairly used second hand Peugeot 505 SR was sold at Eight hundred thousand naira only (#800,000.00) as against the brand new 505 SR sold at One million eight hundred and seventy-two thousand nine hundred naira only (#1.872.900) in the same period, but this does not suggest that the prices are fixed because in 2011, a fairly used second hand Honda Civic 2000 model sold at seven hundred and eighty thousand naira only (#780,000.00), thirteen years later, Honda Hennessy 2007 model was sold at nine hundred thousand naira only (#900,000.00) in 2014 (Akanni & Gabriel, 2020).

The *Tokumbo* trade, which started with 3 selling points and not fewer than 12 dealers, have flourished over the years. Prior to the menace of the insurgency and scourge of the covid-19 pandemic, Maiduguri, the capital of Borno State, had 287 registered selling points of fairly used secondhand vehicles which led to the development of stickers to distinguish between recognized and non-recognized car dealers and selling points. The trade employed thousands of literates, semi-literate and non-literate categories of citizens across the state ranging from the *Tokumbo* or fairly

used secondhand car dealers themselves, office secretaries, lawyers, drivers, sale agents, peddlers, and guards. The *Tokumbo* trade, apart from the provision of employment, also contributes significantly to government coffers (Akanni & Gabriel, 2020).

According to Tasiu, Mustapha & Hamza (2017), trade-in secondhand cars, as with any other economic venture, are paid annually into government treasuries in the form of internally generated revenue. As evidenced by the Kano State Board of Internal Revenue and Kano State Ministry of Commerce and Industries, and reported by Tasiu, Mustapha & Hamza (2017), each registered car dealer pays one hundred and sixteen thousand five hundred naira only (#116,500.00) annually, five thousand nairas only (#5000.00) annually as business premises tax but a dealer registering for the first time will have to double the fee and signboard plus tax per trader to the tune of three thousand to five thousand nairas only (#3000.00 to #5000.00) per annum.

Apart from the economic contribution of the trade-in *Tokumbo*, it enhances the social status of the citizens and added value to properties. It stimulates interest in car acquisition by all spectrums of society, irrespective of class. Politicians for their electioneering campaigns boast the economy by patronizing the secondhand car dealers and purchasing vehicles in numbers for distribution to their active followers, which consequently enhances internally generated revenue for the government. However, the advent of the insurgency had a serious, devastating impact on the *Tokumbo* trade, which in turn was crippled by the emergence of the Coronavirus disease (Covid-19) pandemic in 2019.

The trade was halted following the lockdown, which led to total closure of international, domestic, and local borders, including restrictions of all forms of inter and intrastate movements for some months with a view to curtailing the menace of the pandemic. Consequently, the economy of the trade-in *Tokumbo* vehicles becomes drastically ruined as many of the fairly used secondhand car dealers become bankrupt. It is against this background that this study cast its searchlight on the negative influence of the pandemic on the economy of the fairly used or secondhand cars in Borno State, Nigeria, with a view to proffering some implications for counseling.

### **STATEMENT OF THE PROBLEM**

Trade-in *Tokumbo* vehicles are one of the flourishing trades in the economy of Borno State, Nigeria. Apart from the provision of employment to all categories of skilled, semi-skilled, and unskilled labour across the State, creating opportunities for spare part sellers, vulcanizing, sales of lubricant, automobile mechanics, and bringing affordable and durable cars to the comfort of the masses among others, the trade significantly enhances internally generated revenue of the government at all levels. However, despite witnessing the devastating and inhuman activities of the insurgents, which seriously affect the trade, the specter of the covid-19 pandemic characterized by total lockdown and restrictions of all forms of inter and Intra State movements has crippled the economy as most of the car dealers become penniless. This is the problem that led to investigating the influence of the covid-19 pandemic on the economy of the trade in fairly used vehicles in the study area.

## RESEARCH METHOD

The study was a survey design that investigated the influence of the covid-19 pandemic on the economy of *Tokumbo* vehicle trade in Borno State, Nigeria. The population of the study comprised of all fairly used secondhand car dealers in the State. However, 150 *Tokumbo* car dealers constituted the sample. Purposive and stratified random sampling techniques were used in selecting the sample. It was purposive because only registered *Tokumbo* car dealers were selected, while the stratification was based on their location, brand of *Tokumbo* cars dealing with, and the number of years spent in the trade. Researchers designed 18 items Structured Interview Schedule (SIS) tagged "Car Dealers Interview Schedule (CDIS)," and Focus Group Discussion (FGD) were the instruments used to elicit data for the study.

The CDIS was divided into two parts (A & B). Part A collected information on demographic characteristics of the respondents, while Part B elicited data on brands of cars, years of experience in the trade, socio-economic contributions of the trade, and the influence of covid-19 pandemic on *Tokumbo* trade in Borno State, Nigeria. The CDIS was validated by three experts in the field of Business Administration of the University of Maiduguri, Borno State, and a coefficient of 0.74 was obtained using the Cronbach alpha reliability method for the internal consistency, which was considered relevant and adequate for the study. Descriptive statistics of frequency counts, percentage, and rank order were used in analyzing data collected for the study. Three objectives and three research questions piloted the study. The results are presented in Table 1-3.

## OBJECTIVES OF THE STUDY

The study identified the following objectives:

1. The source of capital for the *Tokumbo* car dealers in Borno State, Nigeria
2. Major brand of *Tokumbo* cars in Borno State, Nigeria
3. Effects of Covid-19 pandemic on *Tokumbo* cars trade in Borno State, Nigeria

## Research Questions:

The following research questions were answered in this study:

1. What are the sources of capital for the *Tokumbo* car dealers in Borno State, Nigeria?
2. What is the major brand of *Tokumbo* cars in Borno State, Nigeria?
3. What are the effects of the covid-19 pandemic on *Tokumbo* car trade in Borno State, Nigeria?

## RESULTS AND DISCUSSION

Research Question 1: What are the sources of capital for the *Tokumbo* car dealers in Borno State, Nigeria?

**Table 1: Sources of capital for *Tokumbo* car dealers in Borno State, Nigeria**

S/No.	Source	Responses	Rank
1.	Bank Loan	52(34.7)	1 <sup>st</sup>
2.	Loan from Friends and Relatives	52(34.7)	1 <sup>st</sup>
3.	Retirement Benefits	17(11.3)	3 <sup>rd</sup>
4.	Thrift/Personal Savings	17(11.3)	3 <sup>rd</sup>
5.	Inheritance	12(8.0)	5 <sup>th</sup>
<b>Total</b>		<b>150(100.0)</b>	

**Note: All responses in braces are percentages of the raw scores**

Table 1 revealed that loans (from banks, friends, and relatives) were the major sources of capital for dealers in *Tokumbo* cars in Borno State, Nigeria thus, ranked 1<sup>st</sup> while finances from inheritance comprised the least source of capital for the dealers thus, ranked 5<sup>th</sup> in the study area.

Research Question 2: What is the major brand of *Tokumbo* cars in Borno State, Nigeria?

**Table 2: Major brand of *Tokumbo* cars in Borno State, Nigeria**

S/No.	Brand	Responses	Rank
1.	Toyota	33	1 <sup>st</sup>
2.	Volkswagen	31	2 <sup>nd</sup>
3.	Honda	23	3 <sup>rd</sup>
4.	Mercedes Benz	23	3 <sup>rd</sup>
5.	Peugeot	22	5 <sup>th</sup>
6.	Opel	11	6 <sup>th</sup>
7.	Others	07	7 <sup>th</sup>
<b>Total</b>		<b>150(100.0)</b>	

**Note: All responses in braces are percentages of the raw scores**

Table 2 indicated that Toyota and Volkswagen formed the major brands of *Tokumbo* cars in Borno State, Nigeria, thus ranked 1<sup>st</sup> and 2<sup>nd</sup>. Others were Honda, Mercedes Benz, and Peugeot. The least brand of *Tokumbo* cars in the study area were Opel and Others (BMW, Chevrolet, Citron, Datsun, Fiat, Ford, Hyundai, KIA, Land Rover, Mitsubishi, Nissan, Renault, Range Rover, Subaru, and Volvo) thus, ranked 6<sup>th</sup> and 7<sup>th</sup>.

Research Question 3: What are the effects of the covid-19 pandemic on *Tokumbo* car trade in Borno State, Nigeria?

**Table 3: Effects covid-19 pandemic on *Tokumbo* cars trade in Borno State, Nigeria**

S/No.	Effects	Responses	Rank
1.	Rent	38(25.3)	1 <sup>st</sup>
2.	Loan repayment	38(25.3)	1 <sup>st</sup>
3.	Gross reduction in sales	28(18.8)	3 <sup>rd</sup>
4.	Downsizing of staff	14(9.3)	4 <sup>th</sup>
5.	Reduction in business cash flow	14(9.3)	4 <sup>th</sup>
6.	Missing compliance deadlines	09(6.0)	6 <sup>th</sup>
7.	Business partners' withdrawal	09(6.0)	6 <sup>th</sup>
<b>Total</b>		<b>150(100.0)</b>	

**Note: All responses in braces are percentages of the raw scores**

Table 3 shows that rent, loan repayment, and gross reduction in sales were the major effects of the pandemic on trade in *Tokumbo* cars in Borno State, Nigeria thus, ranked 1<sup>st</sup> and 3<sup>rd</sup>. Others were downsizing of staff and reduction in business cash flow. The least effects were missing compliance deadlines and business partners' withdrawal thus, ranked 6<sup>th</sup>.

## **DISCUSSION**

The findings of this study revealed five sources of capital for the dealers, seven brands of *Tokumbo* cars, and seven effects of coronavirus (Covid-19) pandemic on trade in *Tokumbo* cars in Borno State, Nigeria. Research question one stated that what are the sources of capital for the *Tokumbo* car dealers in Borno State, Nigeria? The finding revealed loans from banks, friends and relatives, retirement benefits, thrift/personal savings, and inheritance. This finding corroborates the earlier findings of Festus & Ajibade (2018) and Akanni & Gabriel (2020), who reported that the sources of capital of most business typhoons in Nigeria could be traced to either bank loans or loans from friends and relatives, and in rare cases, the business setup may crumble due to repayment problem which may result in assets liquidation or face jail terms. This suggests that most of the businesses don't progress because of mismanagement, natural upheavals, or pandemic.

Research question two states that what is the major brand of *Tokumbo* cars in Borno State, Nigeria? This finding revealed that Toyota, Volkswagen, Honda, Mercedes Benz, Peugeot, Opel, and Others (BMW, Chevrolet, Citron, Datsun, Fiat, Ford, Hyundai, KIA, Land Rover, Mitsubishi, Nissan, Renault, Range Rover, Subaru, and Volvo) were the *Tokumbo* brand of cars engaged in by the dealers. This finding agrees with the earlier studies of Sabo, Maijama'a & Samari (2015), Akanni & Gabriel (2020), Tasiu, Mustapha & Hamza (2017), and Pious & Yetunde (2018), who reported that *Tokumbo* dealers are usually controlled by the market forces of demand and supply among others. The *Tokumbo* cars consumers develop interest and fashion due to their durability, availability of spare parts, relatively cheap and the available automobile mechanics specialized in fixing it, are those most supplied by the dealers. Pious & Yetunde (2018), for example, stressed that in rare instances, supplies are made by the dealers based on consumers' personal requests to look "one in town" despite being expensive, without spare parts and specialized mechanics. Tasiu, Mustapha & Hamza (2017) expressed those ambulances, trucks, and other heavy-duty vehicle are generally supplied by dealers based on request and usually with specifications for hospital, commercial, agricultural, and industrial uses. This suggests that various brand of vehicles is supplied by the *Tokumbo* dealers depending on the purpose for which it can be used.

Research question three states that what are the effects of the covid-19 pandemic on *Tokumbo* car trade in Borno State, Nigeria? The finding of this study revealed rent, loan repayment, gross reduction in sales, downsizing of staff, reduction in business cash flow, missing compliance deadlines, and business partners' withdrawal as the effects of a covid-19 pandemic on trade-in *Tokumbo* cars. This finding is validated by the earlier studies of Aladejebi (2020), Fernandes (2020), He & Harris (2020), Igwe (2020), Jorda, Singh & Taylor (2020), Turner & Akinremi (2020), and Tucker (2020) who reported that the monster of covid-19 pandemic has paralyzed all strata of businesses across the globe and the worst hit by the menace are the small and medium scale entrepreneurs. Igwe (2020) and Turner & Akinremi (2020), for example, expressed that small and medium scale enterprises are the worst affected by the pandemic because they don't have any form of preparedness against the occurrence of natural or anthropogenic disasters and the most adopted coping strategies to contain such pandemic is reducing staff salaries if not downsizing especially in third world countries.

### **IMPLICATIONS FOR COUNSELLING**

Based on findings of this study, the following implications for counseling were proffered: The Borno State Government should, in collaboration with Merchant and other development Banks, come to the aid of the *Tokumbo* car dealers through their registered trade union and be assisted with soft loans in the form of business interruption loan scheme under closed monitoring and supervision. This is because *Tokumbo* car dealers, apart from their socio-political and financial contribution into government treasuries, also contribute significantly to the State in terms of provision of employment to all categories of the citizenry, which reduces the burden on government, in this context, the government can provide *Tokumbo* car dealers with the loan in the form of job retention scheme.

The government at all levels should also intervene by given *Tokumbo* car dealers business rate holidays, small business grant fun, deferral of value-added tax (VAT) and waiver or relaxing business taxes, hospitality grant scheme and lifting other custom charges on *Tokumbo* vehicles in addition to providing the *Tokumbo* car dealers with palliatives to cushion effects of the pandemic. *Tokumbo* car traders should also be given individual and group counseling on reality counseling for decision-making during uncertainty, especially in situations like the pandemic because sensational and inflammatory coverage of Covid-19 news by electronic (visual and blind) and print (dailies and magazines) media increases negativity and potential risks.

### **CONCLUSION**

Based on the findings of this study, it can be concluded that loans and personal savings were some of the sources of capital for *Tokumbo* car dealers in Borno State. Toyota, Volkswagen, Honda, and Mercedes Benz were some of the brands of *Tokumbo* cars used in the study area. The covid-19 pandemic has a devastating effect on the economy of *Tokumbo* car dealers in the study area, and the repercussion is reflected on individual and State treasuries. Apart from the massive downsizing of staff, rent and loan repayments were not possible due to lockdown that halted virtually everything. Business interruption loan scheme, business rate holidays, small business grant fun, deferral of value-added tax (VAT) and relaxing business taxes, hospitality grant scheme and lifting other custom charges on *Tokumbo* vehicles in addition to providing the *Tokumbo* car dealers with palliatives to cushion effects of the pandemic, reality counseling for decision making during uncertainty were some of the implications for counseling proffered.

### **RECOMMENDATIONS**

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

- i. Commercial Banks such as the Mercantile or Merchant Banks, banks of Industry, or Industrial Development Banks should be mandated by the Central Bank of Nigeria to be issuing loans to trade unions such as *Tokumbo* car dealers with a small interest rate of not more than 2%.
- ii. The *Tokumbo* car dealers should consider the importation of cars that are cheap, robust, and have available spare parts that can easily be fixed by automobile mechanics.

- iii. The Federal Government should have an extension of the moratorium period on all principal repayment on Central Bank of Nigeria facilities by at least two years with effect from the lockdown.

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