

Trade Liberalisation and Pitfalls to Nigeria's Effective Participation in Global Trade

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Abstract

Globalisation is no longer new on the block. However, scholars are still interested in studying the effects of its aftershocks in the areas of trade, politics and socio-cultural remits in international relations. Conceived and promoted by neo-liberal think-tanks and institutions as the magic wand to socio-economic problems across the globe irrespective of the peculiar challenges of less developed countries compared to the much developed ones, it has turn out to be the exact opposite of the globalization philosophy. This paper examines the globalization philosophy as is affects Nigeria in its bid to actively participates in the global trade as one of the core tenents of a globalised space. It argued that the globalised space is imbued with a lot of asymmetries to the disadvantage of Nigeria to equitably participate in global trade. At best, the paper concludes that under the present circumstances, Nigeria will remain a dependent partner in the globalised equation, unless some remedial measures are taken to harness opportunities available to enhance her marginal participation in the globalised market space.

Key words: trade, liberalisation, economy, constraints

INTRODUCTION

The emergent asymmetries in the global trade system are regarded as some of the greatest challenges to world's economic development, especially in the era of globalisation. The emergent international trade regime, anchored on the concept of globalisation, assumed wide spread entrenchment in the early 1990s. In simple terms, globalisation refers to a process of interaction and integration among people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology (Hughes, 2009:10). It has impacted on countries and affects socio-economic, political, cultural, technological advancement and other aspects of human endeavour. This influence is glaringly manifested, especially in the economic sphere with trade as its major defining feature. This emergent global economic structure rests on a tripod made up by the International Monetary Fund (IMF), The International Bank for Reconstruction and Development (World Bank) and the World Trade Organisation (WTO). These powerful international organisations are supposedly created to promote fair economic policies that will aid funding and even development in countries, particularly, the developing countries. The developed world and economies in the Western hemisphere These institutions, together with the advanced economies of the west, promoted the ideals of neo-liberalism as a way to reform the economies of the developing countries. Indeed, as pre condition for various forms of adjustment facilities to crisis ravaged economies of Third World countries these predominantly western interest, prescribe the reform of economies of third world countries to conform to the dictates of

Liberalisation, Privatisation and Deregulation. It is in line with this that national, regional and international trade regimes and frameworks have been undergoing varying extents of reform. By this, also, trade is expected to be liberalised to make for the free movement of capital, goods and persons.

Chang (2008) submits that neo-liberals believe that unlimited competition in the free market was the best way to organize an economy because it forces every nation to perform with maximum efficiency in a competitive trade environment. He further submits that under this arrangement, government intervention in trade matters is discouraged and that government intervention is judged to be harmful because of the fact that it reduces competitive pressure by restricting the entry of potential competitors, whether through import control or the creation of monopolies.

There is a theoretical assumption that trade liberalisation will contribute to economic growth and development, and more specifically, it is expected to reduce poverty and improve food availability for local consumption, and raw materials for export. Most economically dependent countries that took western donor institution's advice to liberalise completely did so without restrictions... , hence a large member of developing countries, especially African countries, instituted various forms of pro Bank-Fund trade liberalisation policies (Sharma, 2006).

Nigeria has been in global trade, for all the known reasons. Without a doubt, as most other developing countries, its trade pattern is extroverted, specifically to Euro-American markets. With over two decades since the Uruguay Rounds transformed into the WTO, many African countries, including Nigeria, have been crying out against what they call unfair trade. Indeed Nigeria's experience with trade liberalisation challenges the general notion of the promises of international trade ala WTO. While trade liberalisation stands opposed to protectionism and other trade distorting practices, the trade policies of advanced western countries have been shrouded in protectionism, subsidization, etc, etc, thereby impacting negatively on the trade of Nigeria and other African countries.

This paper attempts an empirical analysis of the impact of contemporary global trade regime on Nigeria and its economy, particularly its trade relations with the rest of the world. It relied on both primary and secondary data. This engagement is necessitated by the, often hasty and skewed analysis of the patterns of the impacts of the ensuing trade regime on Africa countries.

The Context of contemporary global trade

The current global trade regime, as organized under the auspices of WTO is, the successor of the erstwhile General Agreement on Trade and Tariff (GATT). The 1947 GATT committed industrialized nations to promote free trade by means of multilateral bargaining (Robertson, 2004: 174). The contemporary trade regime is guided by WTO, which unlike its predecessor, provides a single institutional framework encompassing GATT and all the results of the Uruguay Round. This was inevitable especially, when situated within the broad context of the ongoing globalisation of the ideals of neo-liberalism, the current phase of which began at the end of the Cold War in the 1990s. Globalisation is an ideological notion that seeks to reform, restructure, reposition and remake economic and political processes in line with liberal perception of social reality.

Although not a new phenomenon, it has become the defining process of contemporary world as part of the fallout from the industrial revolution of Europe. The industrial revolution changed

the world and triggered a process of interdependence, so too, is the present revolution in information technology changing the world with far reaching implications (Kwanashie: 2001; 27). Globalisation was first noticed through trade relations among countries and intensified through the role of multinational trading organisations that operate across the globe. The transformation of the Nigerian economy through the policies of deregulation, privatization and liberalization led to downsizing of trade in the economy,

Globalisation reflects the greater openness of national and international economies to greater flows of trade, finance, capital, high technology, Foreign Direct Investment (FDI) and market integration. Dunmoye, (2007) submits that it encompasses both a description and a prescription. The description lies in the widening of international flows of trade, finance and information in a single integrated global market, while the prescription lies in liberalising national and global markets in the belief that free flow of trade finance and information will produce the best outcome for both growth and human welfare. And the world's economic system becomes more interdependent and people and ideas move around the world in greater numbers, propelled by what geographers term 'space adjusting technologies' (Brunn and Leibach, 1991)

The call for a more open market was intensified on the assumption that economies must grow if poor people are to reap the benefits of globalisation. A standard pattern and idea is expected from all countries, especially the developing countries as they are expected to adopt policies that are consistent with global agenda, which has been impossible for them to resist because of their dependent nature. A large section of global population especially those in the developing world have been excluded from the benefit of globalisation and this has been identified as a major problem of the process. In these countries, the state is weak; the role of the state has been eroded to the point where it can no longer extend the provision of basic public goods such as welfare and stability because of its dependent nature.

Trade Liberalisation

Trade liberalisation is a process of becoming open to international trade through a systematic reduction and elimination of tariff and other barriers between trading partners. However there is no consensus as there are severally diverse opinions on what the term really means and how it could be achieved. The concept has been subjected to a lot of scholarly and political debate as scholars have examined it from the effect it has had on their countries/continent or generally on world economic growth (Bzuneh and Ylheyi. 2014). For the industrialised countries the concept has been a tool in their economic growth, while those of the developing countries especially Africa have expressed that the agreements are not in their best interest.

Historical antecedent of free trade dates back to economic thoughts of the mercantilist era when trade was advanced as a critical factor in the growth of nations. The concept emerged from the French Phrase 'Laissez faire' meaning "allow to do" and was made popular by a group of French writers called physiocrats between the 1750s and 1780s, but it was a group of thinkers known as the British classical school led by Scottish economists Adam Smith, David Ricardo, among others, that gave trade liberalisation its fullest explanation and defence between the 1770s and the 1840s. (Hunter 2001:32). The Laissez Faire policy stated that government generally should not interfere with decisions made in an open competitive market. These decisions included setting prices and wages and making other choices that affected the sale of goods and services. He explained that the physiocrats who were the proponents of laissez faire believed that workers are most productive when people can pursue their private economic interest in relative freedom.

The theoretical assumption of trade in the era of Globalisation and liberalization policy is that, the trade policy forces nations to focus on those products for which they enjoy comparative advantage, assuming further that trade would result to increased export earnings, which would then be used to import the needs of the country. The doctrine allows the state only those activities which the individual cannot perform like the provision of public goods and services such as health, education, defence, environmental issues, etc, etc. The neo-liberal position advocates the dominance of private enterprise in economic dynamics at all levels.

On the contrary, some of the world's best firms are owned and run by the state (Chang, 2008:21) and they are providing these services profitably. Economic Realities have gone beyond comparative advantage, what matters is competitive advantage. States are central in enhancing the competitive advantage of nations and some of its operatives and only the theory of comparative advantage is not sufficient to explore and explain the reality of contemporary trade.

Most of the provisions of WTO agreement are provisions that are further deepening the same framework that guided trade for a long time such that Nigeria and other developing countries remain largely primary producing countries. And worse still the WTO agreement on intellectual property Trade Related Intellectual Property Right (TRIPS), by which rights are given to persons over the creation of their mind (www.wto.org, 2015) the person is given an exclusive right over the use of that creation for a certain period of time, basically it is to stimulate innovation. With the dependent nature of the developing countries, and considering the fact that a lot of the innovations are from the developed world, what are the chances of the developing countries registering innovation that would fundamentally alter their trade specialization. The pattern of trade of the developed world, determine the price of raw products as well as those of processed or finished products.

Information and Communication Technologies (ICTs)

With ICTs, the information structure for the availability and use of information in the area of trade, are scantily available in African countries and the spread and development of ICTs and related technologies is poor. Those who have it manipulate it to determine the supply, demand and consequently prices of products. Nigeria and other developing countries are relatively at a disadvantage which makes trade not so fair to them. Again this brings back-in the issue of the TRIPs, and how they restrict the even spread of relevant technologies to different actors in the trade community. Evidently, the levels of spread and deepening of ICTs between the developed and developing world is such that developing countries lag behind, especially in leveraging such technologies in trade and trade related matters.

Nigeria's Domestic Economic Structure

There is an emerging issue of whether Nigeria can afford to meet the requirements of the global market, especially in terms of complete liberalisation of the economy, given the state of the economy and the structure of its economic and production output. Overtime, Nigeria has adopted various development strategies which have conditioned changes in the country. One example of this was from the early 1960's to mid 1980's when the import substitution industrialization strategy was implemented. This was designed to make the country inward looking. In this policy, there were considerable restrictions and regulations in the trade sector, import duties and tariffs were raised (as much as 70 percent in 1975) to discourage importation. There were quantitative restrictions on some food and other imports through import licensing (Adubi, 1999:105). It must be noted that the tariff policy measures were

aimed at raising revenue for government to improve the balance of payment problems and protect domestic industries. This was however, not effective as it rather encouraged smuggling of finished products from abroad due to the lack of supporting complimentary production of Nigeria' real sector to match demand from an increasing population and domestic market.

More so, the price and exchange control enforced under this strategy stifled non-oil exports, an area of particular interest for Nigeria. This drastically reduced the opportunity for Nigeria to participate in and benefit from foreign trade expansion. The failure of this economic strategy led to a reconsideration of its effectiveness as a strategy to transform the economy and promote development. It was against this background and also of the worsening economic and fiscal crises of the Nigerian state that Structural Adjustment Programme (SAP) was introduced in 1986. The SAP strategy recognized openness as an effective growth strategy for Nigeria. The SAP policy package included abolition of import licensing system, reduction of import restriction, modification of advanced payment for import duties, overhauling of customs and excise duty schedules, establishment of a Tariff Review Board, allowance of domiciliary accounts operation, abolition of export prohibition, dissolution of commodity boards and establishment of export development fund, export credit guarantee scheme and insurance scheme and export promotion zones (Adubi, 1999:107). Under SAP, emphasis was on diversification of the productive and export base of the economy from oil to non-oil products. In this regard, incentives were put in place to encourage non-oil export production especially in the manufacturing sector. Various agencies were set up to promote export and attract investors. However, the objectives of SAP were not achieved because, economic diversification was not achieved and the structure of productive output remained the same with oil maintaining its dominant export position. Instead, Nigeria went on to promote trade and development through her signatory and membership of various bilateral, regional and multilateral trade agreements like ECOWAS, ACP/EU, WTO, etc, etc.

The WTO which is the dominant multilateral trade structure in the international system requires major changes and restructuring in line with globalisation. Nigeria accessioned the policy in 1997. This is the force behind reforms in Nigeria's trading endeavours. The Nigerian economy had to be restructured as part of and in conformity with the growing global economy. With the ushering in of the 1999 democratic dispensation, government became eager to show some dividends of democracy by reformation which raises the problem of how to conceptualize Nigeria's trade development strategies.

Under the Obasanjo administration (1999-2007) both internal and external pressures were on Nigeria to reposition the economy to enable it achieve the basic aspirations of the people and that of the global system. Standard behavioral patterns and ideas as determined by the dominant forces in the international organisations and the developed economies were expected from virtually all countries, most especially from the dependent third world countries (Kwanashie, 2007:17). These dominant forces ensure that the less developed countries adopt policies that are in line with global agenda even when they are not equipped politically and economically enough to implement them.

Challenges of Nigeria's Participation in Global Trade

Nigeria is ill prepared to cope with any negative outcome arising from trade liberalisation. Its weak domestic economic capacities have contributed to the reason why Nigeria cannot compete and benefit from global trade. Nigeria, like other African countries, is facing serious economic and developmental challenges in the face of rapidly changing global economy. It faces

Poverty, hunger, and unemployment because the benefits of basic economic growth have not sufficiently trickled down to the populace and has lagged behind in exploiting the benefits of the process. A number of factors account for this wide gap between the economic integration of Nigeria and the world market. Some of these factors shall be considered briefly.

The Lack of Necessary Infrastructural and Institutional Support

The growth benefits from trade reforms are likely to be limited in countries whose entrepreneurs are constrained by weaknesses in the institutional and market infrastructure for production and trade, and Nigeria is also not spared in this regard. This is evident in many developing countries that it has been difficult and expensive to develop effective trade. Infrastructural inadequacies have been reflected in poor road networks, costly transports, rail net works, epileptic power supply, telecommunication, water supply, inadequate storage capacity, etc.

Nigeria's infrastructure for instance, due to neglect and poor maintenance regime, was allowed to decay for so long (Kwanashie: 2007:23) the power sector has been a major flaw in Nigeria's economic performance, the state of electricity supply have undermined productive activities for years. Although the federal government has made efforts to address this problem with the injection of \$20 billion since 1999 to date but the sector generates only 4,000 megawatts (distributes even less) (www.vanguardngr.com, 2015) this has brought darkness, frustration to Nigerians. However, most parts of Nigeria are yet to experience uninterrupted power supply. Industries and Small and Medium Enterprises (SME) need electricity to function effectively and make them competitive. Communication, which is very essential for effective trade has been far reaching. Although there are efforts in this direction as internet use and GSM Communication are still expensive when compared with those obtained in other more developed countries. The high cost of obtaining communication equipment and accessing the internet has negatively affected Nigeria and other less developed countries' competitiveness in global trade.

Structure of Production and Export Earnings

The structure of output matters in the economic development of nations, but with the present structure of output, Nigeria and other less developed countries would find it difficult to achieve economic growth in this era of globalization. Economically, dependent economies such as Nigeria remain principally primary raw commodity exporters and the dependence of African countries on a small number of export products has increased in the period following liberalisation (Nigeria: Vision20:20 Programme). Many less developed countries especially in Africa are characterized by mono-product economies and dependence on primary commodities for the bulk of their export receipts and as such, their markets are mainly with the industrialized countries where they are junior partners since the trade is on unequal trade levels. This structure of export could be traced to the colonial era when the developing countries had related to the world market mainly as exporters of raw-materials and importing manufactured finished goods in the (North/South Trade) which has been a problem for their economic growth.

In Nigeria the Obasanjo regime's initiative on agriculture to promote non-oil export as a strategy towards changing the dependence on oil as a major source of income, embedded in NEEDS Policy to promote export and more foreign exchange earnings, did not create much impact on the agricultural sector. Apart from being dependent on primary products, a mono-product economy like Nigeria, especially in terms of exports represents an extreme case with

its over dependence on one commodity – crude-oil for over 95% of export earnings and over 80% for domestic revenue (Obadan: 2003;18). With the present structure of output, Nigeria can hardly achieve economic growth through its existing trade policy in this era of globalization.

Table 4.1: Real GDP Growth of Nigeria

2012	2013	2014
6.7	7.4	7.2

Source: africaneconomicoutlook.org

From the above table, Nigeria's GDP increased from 6.7% in 2012 to 7.4 in 2013 and dropped to 7.2 in 2014 though it seem to be increasing but it is not enough to make a significant impact on the economy.

Falling Prices of Raw Material

The demand for the type of raw materials produced by Nigeria and other, mostly African countries is not rising, which means that increased export can lead to falling prices instead of increased revenues. With the fall in commodity prices, many commodity dependent developing countries continue to experience deterioration in their terms of trade and reduction in export earnings. This negatively affects the opportunities of countries to generate resources for other investment projects and increase their level of development since agriculture is the major foreign exchange earner. With trade liberalisation, It is argued that through efficiency gains from resource allocation based on comparative advantage countries are able to generate the foreign exchange necessary to import whatever quantities of food they consume over and above what it is efficient to produce (Mohammed, 2012: 44) this process is expected to play an important role in poverty reduction in labour abundant developing countries, and raise the income of workers but that has not been the case.

Indeed, this trade regime attenuates the capacity of Nigeria to effectively participate in contemporary global trade by making it import dependent.

Low Levels of Industrialisation and Manufactured Exports.

Africa currently accounts for less than three percent of the world trade in manufactures and slightly less in services (Obadan; 2003:18).This figure is very small when we consider the fact that manufactured exports have been the key to effective participation of the countries in East Asia where they have achieved spectacular growth rates and poverty reduction. African countries are yet to diversify to the use of modern technology to create high value added goods and services to be sold in the international market.

In 2008 overall, export performance in African countries following trade liberalisation has been disappointing. African exports of manufactured goods continued to grow at a lower rate in volume terms. Recent changes in the share of African exports going to North America meanwhile, have been driven mainly by trends in oil exports, which are independent of the trade liberalisation process. (Vision2020:20)

In Nigeria for instance, the industrial policy structure has not been favorable as high cost of industrial goods, notably raw materials, machineries and spare parts, among others, have been a hindrance. Industries cannot work full capacity; the absence of both domestic and foreign resources to attain full utilization that can generate greater output is inadequate. In addition production will continue to be uncompetitive by lack of value addition. Nigeria's

manufacturing sector is still inadequate, the contribution of the Manufacturing Sector to GDP dropped from 5.9 in 1999 to 3.9 in 2006 (CBN Statistical Bulletin, Vol. 16, Dec. 2005 and 2006). Despite her huge earnings in petro-dollar, it still faces problem of industrialization which is likely to undermine her from benefiting fully from global trade. Among African Countries, Nigeria's manufactured export share is low. It was 0.7 between 2000-2006, while that of South Africa was 13.2 percent within the same period (Vision 20:20, 20). This development adds credence to the question- how technically equipped to deal with global competition are Nigerian firms?.

Low Level of Industrial Technology

Industrial Technology is an essential aspect in global trade. Over the years there has been a tremendous use of information technology innovations in health, agriculture, engineering, biotechnology, etc, in creating new opportunities in trade and other aspects of globalisation. These opportunities are fundamental and are rapidly changing how businesses, government, and organizations operate. But the benefits of the technological revolution have not reached the poor, especially those in developing countries. The transfer of technology encouraged by the new world order has had some constraints. Some scholars like Dyke (1999), Khor (2003), among others, have argued that, these innovations have further widened the gap between the 'haves' and 'haves nots'

Some of the necessary technologies have been protected by registered trade mark and secrecy and the adaptability of some of them require high level expertise or capability. These high transaction cost would raise the cost of input which many of the developing countries cannot afford. The level of technological development in Nigeria is low and this has constrained the manufacturing sector from meeting global standards. However, from another perspective, the low level of industrial technology in Nigeria could be attributed to her dependent position in the international system and the fact that indigenous technology or innovations are not encouraged by government. The knowledge from the 'so called Aba made' and computer village(s) are allowed to waste. More over, any possible innovations from such sources are more likely to be killed at birth by aspects of the WTO agreements, TRIPS for instance.

Inadequate Domestic Investment Capital

Many entrepreneurs in Nigeria face major financial problems associated with capital formation and access. This low level of finance is linked to the low level of savings which limits access to capital and its accumulation. Developing countries that are seriously in debt with poor credit rating where both import and export financing are facing significant problem. In addition the domestic financial sector is poorly developed and this is further exacerbated by trade liberalisation policy. Many developing countries generate the bulk of their revenue from import and export tariffs. Their reduction or removal negatively affects revenue generation, and this forms a bottleneck for investment and access to working capital. In Nigeria, the National Saving Rate (savings/GDP ratio) has been less than 15.0 percent since 1991 while domestic investment rate (investment/GDP ratio) has not exceeded 9.0 percent since 1990 (Adewuyi, 2003:419). The implication of this is that savings is low and cannot be transformed into investment, domestic capital has been difficult to source, lending rate have also increased, even the interest on savings have also declined, thus discouraging saving and capital accumulation.

Lack of Bargaining and Negotiating Capacity

This is also a major hindrance to Nigeria's competitive participation in global trade in the era of trade liberalisation. By being dependent on developed countries and international organisations for aid, donations and loans, the developing countries have been drained of their capacity to negotiate. The powers of the UN, in which the South is in a favorable position, have been diminished, as the mandate and power of the institutions under the control of the developed countries (IMF, World Bank and WTO) have been increased tremendously. The rapid spread of international capital and the sustained internationalisation of the state have resulted in the gradual diminishing of national control of the local economy.

This action has led to the erosion of national sovereignty and narrowing the ability of government to make responsive choices or make policy decisions critical of the existing global framework that conditions the behaviour of Nigeria and other developing countries. Most of these policies may not be in the interest of the countries concerned but they have to comply since they are signatories with the agreement. For instance in the Trade Related Investment Measures, (TRIM), the least developed countries are very unfavourable it will be difficult for them to come with any innovation that would meet trade specification because of their low levels of industrial technology development. The agreement pressurizes the government of these countries to give up their power to improve conditions on the entry and operation of foreign capital and investment. With this WTO agreement, Transnational Corporations (TNCs) have achieved so much international economic powers that in the event of the failure of states to survive the WTO conditionalities, they may be compelled to give up their capital rights and sovereign authorities to the monopolies of the TNCs (Khor, 2003). The developing countries have not been able to organize themselves to coordinate on policies and negotiating positions in WTO and other international organisations and this has constituted a major hindrance to their participation in the international system.

Human Capital Quality Issues

Human capital is an important factor in development in general and economic development in particular. It is human capability and productivity engendered through knowledge and skills acquired from education, training and experience and facilitated by an enabling environment (Anyia, 2011:116) Many developed countries like Japan, Singapore, etc, etc that have been successful in terms of development in recent decades because they have invested in education and health in addition to the exploitation of natural resources. Singapore for instance has no natural resources to speak of and a population of three million, yet today Singapore exports over six times as much as all developing countries combined (Stefan; 2006:72).

Although there are many factors behind the success story of the developed countries, the most important seems to be the high level of education which informed its technological know-how and specialist skills which has become important for today's globalised world. Many countries in Africa are rich in natural resources but could not be called rich nations because they have not been able to use the advancement in science and technology to add knowledge in the production of goods and services. Nigeria like many developing countries is yet to achieve high level of advancement in human capital as their societies are not knowledge dependent and driven.

Coupled with the above is the issue of " brain drain" or loss of skilled manpower through emigration (Minter, 2011) which the process of globalisation engendered. A lot of qualified and capable hands have migrated to the developed world in search of greener pastures, thus reducing the number of specialized hands in the developing countries which experience about

43.2% of brain drain (Minter, 2011) most of which are medical doctors and nurses. Nigeria, for some decades now has lost a lot of highly specialized and skilled men and women to brain drain. Needless to add, contrary to all posturing, the value added by drained brain to the process of development of western countries far outstrips the value of total annual remittances by migrant labour.

Political and Systemic Factors

In keeping with the dictates of the ideals of neo-liberalism, certain political pre-conditions must be fulfilled for a country to be an active trade partner. One of those conditions is engendering democracy and 'Good Governance' which has gained increasing prominence in development. It embraces a wide range of aspects relating to how government exercises power at both central and local levels. These are anchored on sound macro-economic policies, credible, predictable and honest criminal justice system, public sector that is reasonably efficient and uncorrupted, a democratic society that enables a functional interplay between state market and civil society. (Stefan, 2002:71)

Most developing countries have not been able to meet up with the above aspects. Political instability and in some cases armed conflicts have been common place in these countries. Most of them do not have functioning democracies and have undergone dramatic political changes like coup d'état with changes in leadership especially in Africa. Many African Countries have at various times experienced political instability as a result of civil strife, ethnic and religious conflicts, like in the case of Liberia, Cote d'ivoire. Sierra Leone, etc that led to insecurity of lives and property. Political insecurity in these countries would discourage foreign investors and other opportunities that would benefit the country. In Nigeria, the Boko Haram, Niger Delta question and other cases of religious and ethnic crises that have created insecurity and disrupted foreign investment and flow of business in the country.

Systemic Corruption

Corruption is a common denominator in almost all Nigerian systems. Any country that is confronted with this monumental problem cannot immediately take advantage of opportunities provided by the global economic structure. Corruption is still pervasive in the country as Nigeria ranked 136 out of 175 countries in the corruption perception index for 2014 (transparency .org, 2014). The ICPC and EFCC have helped in instilling fear in Nigerians but they have not been able to stop corruption. A lot of bribery is carried out for things to get done and about 80 percent of Nigeria's oil and natural gas revenues accrues to just one percent of the country's population, the other 99 per cent of the population receive the remaining 20 percent of the oil and gas revenues, leaving Nigeria with the second lowest per capita oil export earnings put at \$212 (N28, 408) per person in 2004. (Oloruntegbe 2009:4) Several years of economic mismanagement and corruption restricted economic growth, leaving Nigeria's GDP per capita under \$300 and placing the nation amongst the 20 poorest nations in the World.

Measures Required in Maximizing Global Trade.

It has been argued that liberalisation creates opportunities to accelerate economic growth of nations, but experiences have shown that this growth is unevenly spread. This idea could be attributed to the fact that countries are differently endowed and positioned and may not be able to take equal advantage of the global market (Asobie; 2001:25). Experiences have shown that the developed countries stand a better chance to benefit from the opportunities created by the global market than the developing countries. Africa must strive to be more competitive by addressing these challenges to properly integrate into the world economy, maximize the

benefits of trade liberalization if any and in turn globalisation. Since Nigeria, like other developing countries cannot opt out of the changes in the international system, it needs to devise options to enable her become more competitive and increase its chances of benefiting from the global economy. The following proposals are made to prepare it to face these challenges;

Diversification and Developing Manufactured Export Capability

There should be an increase in the competitiveness of non-oil exports by improving their qualities and reducing cost of production. Experiences have shown that export of products with no value added have been a major factor in the poverty of less developed countries. Export products diversification from dependent natural commodities to manufacturing will promote economic growth in these countries. The root to additional value is for producers to take control of processing and marketing. In Nigeria there is a strong case by government for value addition in products to enable them meet international best practices but the success rate has been low. The government needs to do a lot in this area. It should borrow a leaf from the success story of Ghana which has increased the value of cocoa. The Ghana Cocoa Processing Company (CPC) has increased the value of raw cocoa beans by means of an expansion that has increased total output significantly and an increased marketing strategy, higher grades of the product are produced CPC exports 95% of its finished cocoa products (African Business August-September 2010:30).

Also non-oil export could be diversified into non-traditional markets. Nigeria should explore other countries where good market prospects exist like Japan, Asia and Mexico instead of just relying on trade partners like E.U and American. Encourage more intra Regional/African trade. This views premised on the evidence that trade within regional groupings like ECOWAS, SADAC etc is increasingly becoming a vehicle for restructuring macro-economic and structural policies, promoting large scale investment and ensuring economic efficiency this form of trade is encouraged as a response to the force of globalisation.

Ghana has excelled in marketing and selling services, to the extent that some multinational corporations like Mobil and Nestle have domiciled aspect of their business there.

Human Capital Development

A globalised world brings increased mobility and the threat of brain drain. For some time now, the developing countries have had to contend with the challenges of keeping well trained professionals from moving to wealthier countries. Experiences from countries especially Japan has proved that human Capital Development is a central point of development and output growth. Nigeria needs to maintain and improve and maintain its capacity to retain skilled and knowledgeable individuals. These people would serve as capable hands to study and absorb the new technology being transferred. More efforts need to be focused on education to make more Nigerians literate. To help in development and for government to have what to fall back to in a situation where the oil reserve depletes

The need to improve standard and quality of products.

The need to ensure high standard for Nigerian products is important for global trade. Since, many Nigerian products are considered sub-standard; government should ensure that product specifications and standards are met. If possible higher standards must set for the products to enhance their competitiveness in the global market. Attempts should be made to remove all constraint to agricultural and other non oil sectors in order to boost output and export.

There should be more awareness by the Nigerian Export Promotion Council through seminars and conferences to better inform the general public on the required international standard and full information of WTO provisions to enable such operators to complain to the appropriate government organs when the product in the external market fail to meet standards.

Public-Private-Partnership (PPP)

The private sector has an important role in trade corroboration since they are more likely to be exposed to market opportunities. Globalisation encourages this sector because of the reduced emphasis on national governments on trade related issues. With PPP, investors will gain exposure to the sector and encourage greater participation of the private sector in delivering infrastructure, health care, education, and transportation. This would promote trade and inter-relationship among nations. For instance, the Lekki-Epe Expressway in Lagos will facilitate the movement of goods and services across Lagos, especially for the proposed Lekki Free Trade Zone that will promote economic activities in the area.

CONCLUSION

Although, Nigeria has made and still is making efforts to properly integrate into global affairs and derive the benefit of trade liberalisation, a lot is still needed to enable it excel. Many countries in the developing world are highly indebted; which has denied them effective participation, some cannot participate in global trade because their products lack value addition. With the reduction in the support given to cash crop production reduced, production cost and export prices are likely to increase with the attendant loss of competitiveness for such produce in the international market. In this era of globalisation, any nation that aspire to develop through export trade must expand the manufacturing sector and also comply with internationally accepted standards to enable its products compete in the global market.

RECOMMENDATIONS

Nigeria needs to intensify efforts to attract both foreign and domestic investors into the export sector to enhance its international trade participation. This is even more necessary with the insecurity in the country.

1. The federal government should domesticate the concept of trade liberalisation to incorporate current modes of production and marketing to encourage local production and export. The system operated in India, China and other Asian countries where they ensure that the interest of their country is taken into consideration in any dealings with the developed world should also be adopted by the Nigerian government.
2. Industries that are growing or stable should not be liberalised except those that are not doing well and government should take over and restructure privatized industries that are not doing well.
3. Reversed engineering should be encouraged in Nigeria, cottage industries in places such as Aba and other Igbo and non Igbo towns should be supported. The government should adopt a guided form of liberalisation that would protect domestic industries, encourage product diversification and processing which add more value to products and increase their bargaining power in the international market.
4. Nigerian government should diversify the economy through ICT to ensure innovations and specialization that would enhance trade

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