

THE IMPACT OF TRADE LIBERALIZATION ON THE NIGERIAN ECONOMY

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ABSTRACT

This paper investigates how trade liberalization, under the World Trade Organization, has impacted on the Nigerian economy particularly the textile, manufacturing and the agricultural sectors. It used data from the secondary sources. The dependency theory was used to argue that the aims and policies of WTO may not undermine economic development of Nigeria, but the developed countries have the tendency to use trade liberalization as a platform to put Nigeria and other developing nations in perpetual economic domination. The findings suggest that Nigeria's membership of the WTO was meant to open up hidden opportunities through the movement of goods across borders. The problem with trade liberalization is not that it is harmful in itself but that increased risk comes with its benefits. The challenge is to realize these benefits without suffering losses. Its negative impacts are predominant because the Nigerian economy is not ready for full-scale trade liberalization. Therefore, it is among other things recommended that Nigeria should strategically look inward to assess the industrial capability of the economy so as to formulate economic policies that will encourage local industries in order to transform the country from consumer and import – oriented to export economy.

Key Words: Nigeria, Trade Liberalization, Dumping of goods, Collapse of Industries and Economic Protection

INTRODUCTION

International trade is by no means a new phenomenon. Nations have engaged in trade and trading activities throughout the world because nations are not equally endowed, and are not entirely self-sufficient. Since nations do not have the same trading capabilities, there is every need for trade, especially international trade, to be regulated, liberalized and guided to ensure free-fair trade participation amongst the participating countries. This assumption is rooted in the neo-liberal school of thought that dominated intellectual discourse in the late eighteenth century. The assumptions of neo-liberal scholars such as Adam Smith and David Ricardo proposed a distinctly liberal theory of trade that dominated British and other Europeans countries economic policy for more than a hundred years and is still very influential today (cited in Ochoga,2012).

Aspina (2013) argued that Adam Smith advocated laissez-faire policies generally but Ricardo went one step further in his work on the law of comparative advantage when he demonstrated that free trade increased efficiency and had the potential to make everyone better off. Aspina (2013) further maintained that it mattered little to liberals, who produced the goods, where, how or under what circumstance, as long

as individuals were free to buy and sell them on open markets. It is therefore the belief of this school of thought that international trade can bring about change in a country's economic growth which will ensure the growth of the country's GDP and per capital income which will manifest in the transformation of the people's standard of living. It is this desire that culminated into the formation of the General Agreement on Tariffs and Trade (GATT), whose central idea was to ensure a substantial reduction of tariffs and other trade barriers between trading nations and will also eliminate preference on a reciprocal and mutually advantageous basis.

In 1995, the GATT metamorphosed into the World Trade Organization. The World Trade Organization (WTO) replaced GATT to bring dynamism into the global approach of international trade. The WTO among other things deals with the regulation of trade between participating countries, it provides a framework for negotiating and formalizing trade agreements, and also resolves disputes among trading nations. These laudable aims of WTO made Nigeria to become a member of the organization with the view to use her comparative advantage to achieve sustainable economic growth. In a reaction, Nasiru (2013) contended that after more than one and half decade of Nigeria's membership of WTO, not much has being achieved given expectations which made Nigeria to commit herself to the Agreements and Declarations that make up the World Trade Organization regime. In other words, since the country joined the WTO her import and export trade does not reflect all the sectors of the economy. This is an indication that Nigeria is operating a mono-cultural economy under the WTO regime.

Thus, if Nigeria's import volume outweighs export (excluding petroleum resources) then, the country might not have the economic capacity to take benefiting decisions amongst other trading nations in the international economic system. And if this profile is a true reflection of Nigerian economy, then the situation is capable of putting Nigeria in an unfavourable economic condition. It is contended that, in the name of trade liberalization under the WTO regime, Nigerian economy excessively depend on importation of both consumable and capital goods which to some large extent has adverse effects on the country's quest for economy transformation (Ochoga,2012). It is within this background that this paper will particularly examine the impact of trade liberalization on Nigeria's agricultural, textile and manufacturing sectors under the WTO regime. Thus, the question that comes to mind here is that, is trade liberalization as championed by the WTO capable of causing more harm than good to Nigeria's agricultural, textile and manufacturing sectors? Given the experience of the South- East countries, is there any better time than now to call on Nigerian leaders to shift their attention from exportation of crude oil to exportation of finished goods? The rest of the work will be devoted to providing answers to the above questions.

Conceptual and Theoretical Underpinning

Trade liberalization as a phenomenon found an expression within the ambit of the neo-liberal economic doctrine which among other things emphasizes on the removal of barriers on international trade. The removal of trade encumbrances to allow free trade among nations remains the major objective of the WTO. This policy posture of the WTO has being a source of controversy among scholars of international economic relations for decades. The proponents of trade liberalization believe that an open market policy will result to a permanent direct minimum increase in gross domestic product [GDP] in addition to the indirect benefits that accrue in the form of a reduced regressive tax burden and positive dynamic externalities (Oduola and Akilo; 1995).

it has been observed that trade liberalization might affect industrial growth of developing nations through several ways; Firstly, a less protectionist trade regime increases scale efficiency by enlarging the domestic market which otherwise might be too small for the efficient production of goods that show increasing returns to scale; Secondly, a more liberal trade regime leads to increased competition from abroad forcing domestic firms to adopt more efficient technology to reduce inefficiency and waste; Thirdly, it is argued that a freer economy eases foreign exchange constraints faced by most developing countries and hence enables a country to import needed raw materials and capital goods; And finally, a more open economy results in a faster rate of technological progress (Adenikinju and Olofin;2002),

Those advocating for trade liberalization believe that an open market regime has the inherent potentials to enhance macro-economic linkages which has the capacity to propel productivity improvements

in the local industrial sector and thereby endanger entrepreneurial innovation culture that is capable of exposing local industries to foreign competition. Thus, the proponents of trade liberalization professed so much optimism about trade liberalization as a vehicle of wealth distribution and economic development, but our worry is that the proponents failed to realise that industries in developing countries like Nigeria might not have the necessary capabilities to compete with their counterpart in the developed countries. Trade openness as advocated by the WTO may lead to unfair trade practices against developing countries such as dumping of substandard products deliberately made cheaper than locally made products. This trend has the tendency to inculcate into Nigerians the unhealthy culture of preference to foreign made products against locally made products. The adverse effects of this trend on the Nigerian economy are enormous. Thus antagonists of trade liberalization viewed WTO as an agent of globalization working for the interest of developed countries. Trade liberalization is being described as a tool of globalization conceptualized to shrink the world into a global village for free movement of goods across national borders.

On the other hand, the importance of a theoretical framework in a work of this nature can be appreciated against the backdrop of the understanding that it provides the scientific lenses through which social scientists examine social reality with the intent of explaining it. It is based on this premise that the dependency theory has been selected for the analysis of the problem under investigation. The dependency theory is associated with the ground works of Paul Barran, Andre Gunder Frank, and Theotonio Dos Santos. Other protagonists of the theory include Samin Amin, Walter Rodney and Claude Ake among several others. "The dependency theory incorporates a variety of perspectives; each attempting to identify the factors that can be held responsible for the underdevelopment of the Third World Countries (TWCs).

The perspectives within the dependency theory is classified as Neo-colonial Dependence Model, the False Paradigm Model and Dualistic Development Thesis (Todaro,1994)). In spite of these divergent perspectives, there is a consensus about the main thrust of the postulations of the theory. Thus the main argument is that the cause of the underdevelopment of the TWCs can be identified within the

dynamic and contradictory growth of the global capitalist system. That this underdevelopment has not stemmed from some original state of affairs, as claimed by the West modernization theorists, but rather from the same historical process by which the now developed capitalist countries of Europe and America became developed (Hoogevelt 2001: 38).

Due to difference in stage of development, the countries are divided into developed and less developed. The Developed Countries (DCs) are countries in Europe, North America and Japan. While the Less Developed Countries (LDCs) which are mostly found in Africa, Asia and Latin America. The former are often referred to as the Centre while the latter are called the Periphery.

The phenomenon of dependency, according to Dos Santos (cited in Jhingan 2007:56):

Is a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. A dependent relationship results between two or more economies when ' some countries (the dominant ones) can expand and be self sustaining, while other countries (the dependent ones) can do this only as a reconnection of that expansion, which can have either a positive or a negative impact on their immediate development.

The consensus among the dependency theorists has been summarized into four by (Jhingan, 2007) as identification of underdevelopment with the expansion of industrial capitalist countries; The view that development and underdevelopment are parts of a united system; The conception is that underdevelopment is a persistent natural condition, not a temporary, pre-capitalist, state; and agreement that dependence affects internal politics, society and culture. Colonialism has being identified as an international historical process which involved the formation and expansion capitalist system. This process was consummated through the incorporation of the LDCs into the world economy by the forces of colonialism and the imposition of capitalist relations of production on them. Through the phenomenon of international division of labour, the LDCs have been consigned to the role of producers of raw materials or primary products for industries of

DCs and serving as markets for their manufactured goods. The international economic order was divided between an industrial core and an agrarian periphery whereby the colonizing core countries dominated world trade and geopolitics, and systematically deprived the colonized peripheral nations (Prebisch, 2009:89).

The compelling reason for the adoption of the dependency theory for this paper is borne out of the failure of the theories from the modernization paradigm to explain the persistence of economic underdevelopment in Third World Countries. The modernization theory failed to recognize the creativity and initiative of the Africans. Instead it places more value on neo-liberal measures without considering their retroactive effects on the economy of developing countries. Taking from the days of Structural Adjustment Programme in Nigeria, most of the developmental strategies prescribed by the International Monetary Fund (IMF), the World Bank and the World Trade Organization had failed abysmally.

While the World Bank is deeply involved in the business of conceptualizing development strategy for developing nations, its sister institution, the WTO continues to champion free trade policy that is considered unhealthy to most African economies. These external forces have continued to have adverse effects on economic development of Nigeria and other African countries; and thereby making the situation to look as if the countries are economically retrogressing. In spite of the laudable promises professed by WTO to transform the economies of developing countries, until today, the Nigeria resorted to pathetic importation of food, textile materials and other goods that were hitherto produced in the country. It is concluded that the policy of trade liberalization as been advocated by the WTO is a neo-liberal ideology and it is capable of making Nigerian economy to rely on foreign countries for most of her needed goods and thereby undermining the growth of our local manufacturing industries.

Nigeria's Prohibitive import list under the World Trade Organization Regime

The WTO has some basic policies as a conceptual guide for its activities in regulating international trade. This policy includes that of **non-discrimination**, reciprocity, **transparency and safety values**. It is on the basis of these policies that the objectives were articulated. Generally, the aim of the WTO to regulate and guided under international trade as well as to negotiates multilateral tariff reductions among countries. The specific objectives of WTO are being summarized as: (i) to implement the new world trade system as visualized in the Agreement, (ii) to promote world trade in a manner that benefits every country, (iii) to ensure that developing countries secure a better balance in the sharing of the advantages resulting from the expansion of international trade corresponding to their developmental needs, (iv) to demolish all hurdles to an open world trading system and usher in international economic renaissance because the world trade is an effective instrument to foster economic growth, (v) to enhance competitiveness among all trading partners so as to benefit consumers and help in global integration, (vi) to increase the level of production and productivity with a view to ensuring level of employment in the world; and (vii) to expand and utilize world resources to the best; and to improve the level of living for the global population and speed up economic development of the member nations. The question of whether or not the WTO is achieving these objectives has being the source of intellectual discourse among scholars.

Below are prohibited import products in Nigeria that was released by Nigerian Custom Service in 16th June, 2005 and further revised with slight modification in 2013. By this list therefore, the following items are prohibited being imported into this country. The products include; textile fabrics of all types and articles thereof and yarn falling under the following headings African print (printed fabrics) e.g. Nigeria wax, Hollandaise, English wax, Ankara and similar fabrics remain under import prohibited. We also have live or dead birds including frozen poultry, pork, beef, bird's eggs, refined vegetable oils and fats (but excluding linseed, castor and olive oils. Crude vegetable oil is however not banned from importation). Other import banned products are; cocoa butter, powder and cakes, spaghetti/noodles and fruit juice in retail packs, waters, including mineral waters and aerated waters containing added sugar or sweetening matter or flavoured, ice snow, but excluding energy or health drinks etc (cited in Nigeria Customs Service;2014).

Import prohibited pharmaceutical drugs include; medicaments falling under the headings as indicated below:

1. Paracetamol Tablets and Syrups
2. Cotrimoxazole Tablets Syrups

3. Metronidazole Tablets and Syrups
4. Chloroquine Tablets and Syrups
5. Haematinic Formulations; Ferrous Sulphate and Ferrous Gluconate Tablets, Folic Acid Tablets, Vitamine B Complex Tablet (except modified released formulations).
6. Multivitamin Tablets, capsules and Syrups (except special formulation).
7. Aspirin Tablets (except modified released formulation and soluble aspirin).
8. Magnesium trisilicate tablets and suspensions.
9. Piperazine tablets and Syrups
10. Levamisole Tablets and Syrups
11. Clotrimazole Cream
12. Ointments – Penecilin/Gentamycin
13. Pyrantel Pamoate tablets and Syrups
14. Intravenous Fluids (in cited Nigeria Customs Service;2014).

Other imported prohibited products are soaps and detergents, in retail packs, mosquito repellent sanitary wares of plastics and domestic articles and wares of plastics (but excluding baby feeding bottles) and flushing ceinstern and waterless toos toilets; rethreaded and used pneumatic tyres but excluding used trucks tyres for rethreading of sized 11.00 x 20 and above 4012.2010.00 (cited in Nigeria Customs Service;2014).We also have other import banned products as carpets and rugs of all types, hollow glass bottles of a capacity exceeding 150mls (0.15 litres) of a kind used for packaging of beverages by breweries and other beverage and drink companies, used motor vehicles above fifteen (15) years from the year of manufacture. Be that as it may, the rationale behind the banned of importation of these products is to encourage local industries to sell their products to Nigerians for the purpose of industrial expansion, jobs creation and poverty reduction. This is line with the WTO's objective of ensuring that developing countries secure a better balance in the sharing of the advantages resulting from the expansion of international trade corresponding to their peculiar developmental needs.

The Effects of Trade Liberalization on Nigerian Economy under the WTO Regime

Despite the banned on the importation of certain textiles materials, cloths, food etc into Nigeria, smuggling of these banned products have adverse effects on Nigerian economy particularly the agricultural sectors, the textiles and clothing industry and the entire manufacturing sector.

(i)The Textiles and Clothing Industry

Before now, anyone who visits Nigeria for the first time will be impressed by the textiles because of its colourful elegance, artistic qualities and texture. Technologies used in cloth-making in Nigeria had been developed over the decades. In the earlier 90s, Nigeria textile industries were at its peak with about 124 companies in existence. Cloth-making is one of the most important technical activities for the people of Nigeria. But currently, there are only 45 textile companies in existence. This is a shocking reduction of 64% (Ochoga,2012). Despite the fact that global textile trade is on a boom, these industries are gradually collapsing in Nigeria. The reason behind this is the inflow of smuggled foreign textile products into Nigerian markets.

Large quantities of both new and second hand garments from Asian and European countries are flooded in Nigerian markets. The domestic textile industries are facing a major threat from smugglers importing cheaper textile fabrics from other countries and selling them at a price, which is lower than the market price of garments manufactured locally. This there is no doubt contributed to the closure of Afprint Plc, Enpee, Five Star, Gaskiya, Aba Textiles, Specomills, Zamfara Textiles, Finetex, Northex and many other textile companies in the country. The importance of the clothing and textile industry in the area of job creation cannot be under estimated. As at 1996, this sector provided over 137,000 direct and about 500,000 indirect employments to Nigerians (Manufacturing Today, June 10, 2013:14).

The pathetic situation is that a good number of textile factories declined from 175 in the mid-1990s to less than 25 as at 2010. Job creation dropped from 137,000 in the 1990s to 60,000 in 2002 further declined to 24,000 as at 2006. Today, the labour force has less than 10,000 and it keeps declining at alarming rate. Decline in cotton lint production fell from 98,000 tons in 2006 to 55,000 tons in 2010. Similarly, export of

cotton fell from \$44 million to \$31 million under the same period. The capacity utilization in the industry rapidly declined to 20.14 per cent in 2010 from 50.75 per cent in 2003 (Manufacturing, Today, June, 2013:14). Today, the booming fortunes of the sector have gone into moribund due to challenges associated with trade liberalization and smuggling. A number of people, whose job was indirectly related the textile industry like cotton farmers, traders, suppliers etc have lost their source of revenue as a result of this closure.

Compared with the textile products smuggled from China, India and other Asian countries, quality of the garments produced in Nigeria are much better. Most of the textile products coming from these countries contain hazardous chemicals that are used for waxing and printing the clothes. Garments with wax prints are very popular in Africa. These clothes are manufactured specifically for smuggling and hence do not adhere with the quality standards. Many chemicals used in printing these kinds of clothes are banned by the WTO as harmful to human skin. Most chemicals are used for leathers. They are used in clothes to make African prints and are sold at a very cheap price in the market. Despite that the Nigerians know about the health hazards in using these garments; still they are ready to compromise with the quality for the sake of buying cheaper clothes. Though they are aware of the chemicals used, and its adverse effects, still they continue to buy them just because of its low prices. Some people even believe that imported textiles have much better quality than locally manufactured clothes. As a result of epileptic electricity power much money is spent on diesel, generators and black oil. This makes the domestic products more expensive thereby making way for the entry of foreign products into the market. In countries like China, the production cost is very low due to availability of cheap labor and stable power supply.

(ii)The Manufacturing Sector

The President of Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), Dr. Hubert Ajayi disclosed that over 800 companies were shut down in two years from 2008-2010 (DailyTrust, November 7, 2012:32). Corroborating the position of the NACCIMA, the Manufacturers Association of Nigeria (MAN) reported that 834 manufacturing companies' closed shops in 2010 because they could not compete with imported products. A breakdown showed that in 2009, 176 industries became terminally sick and collapsed in the Northern Area especially Kaduna and Kano. In the South- East, a total of 178 businesses were out of operation, while 46 ailing factories in South- South have equally stopped operating. The South- West lost 225 factories, the highest casualty because Lagos is the country's industrial hub. This gradual extinction of Nigeria's industries prompted the President of MAN, Dr. Kola Jamodu to report that:

The frenzy of globalization should not be allowed to deepen the wedge which had widened the lack of investment and trade co-operation among countries in our sub-region. Trade liberalization has further reduced capacity utilization in the manufacturing sector as a result of the influx of imported products of which Nigerian manufacturers have capacity to produce (cited in Guardian, July11, 2012: 15).

In various parts of the country, the sorry sight of collapsed industries over grown with weeds and reptiles. Apart from the devastating impact of trade liberalization on Nigeria's strive for industrialization. This is not to suggest that this study has glossed over the debilitating problems of poor infrastructure, power outage, bad roads, and corruption, 'policy summersault by government and other baggage of problems that have conspired to undermine the country's industrialization process. Examples of' such moribund industries are:

^ In Lagos, Eleganza Industries, Dunlop, Michelin and entire Oregun Industrial areas now taken over by churches. While the Katsina Oil Mills, Katsina Steel Rolling Mills, Katsina Flour Mills, Hamada Carpets, Katsina Kaolin and Ceramics, Funtua vegetable oil, Funtua Textiles, DanjaSugar Company Limited, Kankia Metal works, Funtua Burnt' Bricks and Funtua Fertilizers Company Limited are out of operations for years. Most of the booming manufacturing industries scattered around Bornpai, Dakata, Challawa and Sharada areas of Kano have collapsed. Thus trade liberalization and smuggling are not exonerated from the closure of these industries.

It is important to stress that the Nigerian Government has made futile efforts to address the problem of asymmetrical trade liberalization by setting up a special committee to review the WTO agreement in 1999, as a direct response to agitation by the Parliament, Industrial and Commerce groups, Labour Union, Media and Organization of African Trade' Union (OATTU), a Former Minister of Information, Professor Jerry Gana said:

the committee will look into the WTO agreement with reviewing and ensuring that Nigerian industries are protected, the national economy is encouraged to grow and expand everything will be done within the approved regulations so that dumping of goods into the Nigerian economy is prohibited (cited in ThisDay, October 23,2001:11).

In spite of the anti-dumping committee set up by the federal Government to stem the influx of import, yet capacity utilization has fallen considerably, leading to the loss of jobs in the manufacturing sector.

(iii)The Agricultural Sector

It can be argued that WTO's trade policy in agriculture is not to be held solely responsible for the unimpressive performance of Nigeria's agriculture sector. Nigeria's agriculture sector is plagued by problems that have persisted for years such as lack of mechanized farming, post harvest loses, lack of government support and inadequate extension workers, prices fluctuation and lack of access to fund and poor budgetary allocation among others. These challenges are often contributing to Africa loses food valued at \$4 billion annually due to post harvest inefficiencies across the staples agricultural value chain. Post harvest loses falls between 200/0 - 700/0 in Nigeria depending on the crop (Compass, November 1, 2013, 36).

For instance, the ideal global average between an extension worker and his Farmer is 1 to 1,000 but in Nigeria, it is ratio 1 to 20,000 famers. It is also regrettable that the country does not have a single marketing firm co-coordinating and promoting export of agro-commodities. The global beach mark is that at least 10% of a country's annual budget is dedicated to agriculture but only 2% of Nigeria's yearly budget is committed to agriculture (Guardian, November 27,2012).

At present, the level of contribution of the agricultural sector has been an issue of concern for many Nigerians. Successive administrations in Nigeria have made concerted efforts to develop the agriculture sector but their efforts such as the Operation Feed the Nation of Murtala- Obasanjo military regime and Shehu Shagari's Green Revolution have failed woefully to tackle these lingering problems. At present, the President Goodluck Jonathan administration has launched Agriculture Transformation Agenda. It is still very early to conclude whether the present efforts have yielded more significant results than his predecessors.

It is more worrisome as the European Union has consistently prevented export of small agricultural products from Nigeria on the basis of subsidy. Nigeria had been notified eleven times by the EU in relation to unauthorized substance Dichlorvos in Honey Beans. The products were rejected at EU border because it contained 0.03kg/PPM of Dichlorvos exceeding the maximum residue level of 0.01 mg/km- PPM in Honey Beans (Ochoga,2012). This unfair practice is described as what prompted the Association of rice millers to renewed their appeal to the federal Government to review the purported trade liberalization agreement because it was aiding the smuggling of 80, 000 metric tons of rice into Nigeria and thereby causing a loss of N 9.7 billion revenue monthly (Punch, April 26, 2013,p.32). It is be revealed that Nigeria loses ₦ 36.7 billion to rice smuggling yearly which translates into about N1.7 billion every month (Punch, November 7, 2013 pg 31). It is the responsibility of the federal government to completely ban the importation of foods hence a good number of Nigerians depend on agriculture for survival. The negative effect of trade liberalization on the agricultural sector is considered as a denial of the teeming Nigerian farmers the opportunity to get substantial value from their occupation and thereby causing them unnecessary economic depression for the majority of Nigerians who are farmers.

Nigeria's Trade liberalization: the contradictions

Nigeria's decision to join the WTO meant no harm to dislocate the country's economy, rather the country was encouraged to become a member of the world trade governing body because it professed to open up hiding opportunities across borders. To start with, international trade under the WTO has aided the

movement of goods and technology that have made human race worthwhile than in the past. With trade liberalization as championed by the WTO, international trade has over the years become the vanguard of wealth creation and poverty reduction. The truth that needs to be told is that, trade generally is all about profit making and the profit countries would make depends on the trading capabilities of the countries involved.

And also the quality of the profit would equally determine the extent of the impact of international trade on their economies. Excluding petroleum resources, the Nigeria's import by far outweighs the export trade. The implication is that the economic opportunities associated with goods production and exports are likely to create jobs to reduce unemployment and poverty. In other words, there would be no corresponding economic growth and development when a country's import is more than her export and also when the export is largely monopolized by a sector (commodity) of the economy like the case of Nigeria.

The openness of the Nigerian economy poses threat to local industries. It has been linked with the ineffectiveness of the textile, manufacturing and the agricultural sectors. Our assessment on the interface between trade liberalization and Nigerian economy revealed that:

Majority of the textiles, cloths, consumable and non consumable goods produced in Nigeria are considered by Nigerians to be of inferior quality, they continuously facing unfavourable competition from foreign products that are often smuggled into the country. This ineffectiveness status of Nigerian industrial sector has negative effects on the value of the domestic currency (naira) in the international market and job creation opportunities for the grow Nigerian population. The naira would not appreciate, if our export is not diversified to exceed import.

Also, the other problems are those exogenously generated by the WTO's trade liberalization policies particularly in agriculture, textile and clothing. Apart from other internal factors, dumping of related goods aided by the WTO's policy of trade liberalization also contributed to the collapse of textile industries. The openness of Nigeria's economy is unhealthy for the growth of domestic industries as well as the President Jonathan's transformation agenda to reduce unemployment and poverty would not yield sustainable results if the economy remains import driven. The irony is that the country imported ₦1.3 trillion food stuff in 2010 even though it parades itself as an agrarian country with over 70% engaged in subsistence farming(Compass. November7, 2013:3). Thus Nigeria's membership of WTO has not significantly benefited our economy as against the optimism generated at formation of the WTO which attracted country to join the organization; and the internal and external factors responsible for this insignificant benefit were espoused as the basis for the recommendations.

For the direction of Nigeria's trade, the USA is the biggest trade partner of Nigeria mostly on crude oil followed by India that has taken over the Nigerian pharmaceutical market, while China is the major importer of electronic and home appliances to Nigeria. A careful look at volume of Nigeria's export trade evidently show that non oil sector contributed abysmally to the country's export trade. Before Nigeria's accession to WTO, from the periods 1992, 1993 and 1994, the non-oil export was N4,227.8 million, N4991.3 million and N5349.0 million respectively (Okpe, 2013:117). Crude oil export dominate the export sector accounting for 87 % of total export revenues generated from the oil and non –oil exports (CBN,2002:81). Hence, crude oil contributes about 87% of Nigeria export earning leaving 13% for non-oil sectors and the effects are enormous for Nigeria and Nigerians.

There is an unsolved argument among scholars about the unfairness of the WTO's policies as regard to trade liberalization. WTO's rules of engagement operate within a well-articulated ideology which has as its core tenets, they are: multilateralism, privatization, deregulation, international legislation diminishing state sovereignty, and as well as liberalization of trade and investment. These ideological postures are the propelling forces that are working toward the enthronement of capitalism without borders and full-scale trade liberalization of nation's economy. Within the purview of this ideological posture, the WTO works in consensus with other Bretton Woods Institutions to ensure dominance of the developed countries over the developing countries.

The WTO's policy of trade liberalization is mostly pejorative and controversial. For some scholars like Ochoga (2012) and Ajayi (2010) the WTO is the bane of economic woes of developing nations. While their counterparts such as Bhagwati (2001), Aspina (2013) believed that WTO is the key to unlock the developmental opportunities of all nations. There are trenchant criticisms against WTO and Ochoga (2012) have called for the withdrawal of Nigeria's membership of the organization on the ground that trade liberalization is unhealthy for the development of our local industries. As Greenaway (2009:1) observes:

The collapse of the Doha trade negotiation in the summer of 2008 again puts the spotlight on two important realities of international trade policy. First is that despite the strong decline of agriculture in terms of employment and output in rich countries, agriculture remains disproportionately important to rich countries in their trade negotiations-even to the extent that they are willing to let the WTO negotiations collapse over trade disputes on agricultural policy.

In spite of the WTO's Development Round in Doha; developed economies have continued to use a combination of instruments such as tariffs, subsidies and non-tariff barriers such as animal disease controls through Sanitary and Phytosanitary (SPS) regulations to prevent farm products from Nigeria and other developing countries from gaining access to their markets. Agriculture products from Nigeria and other developing countries remain non-competitive. Thus, we cannot completely exonerate trade liberalization for being part of the factors responsible for the collapse of some of the Agro- allied and textile industries in Nigeria.

RECOMMENDATIONS

The problem with trade liberalization is not that it is harmful itself, but increased risk comes with its benefits. The challenge is to realize the benefit without suffering losses. Despite the laudable positive effects professed by the WTO, trade liberalization under the WTO regime has not wiped out unemployment and poverty out of Nigeria. The negative impacts are predominant because the Nigeria economy is not ready for full-scale trade liberalization therefore; guided trade liberalization is called for. Since Nigeria cannot opt out of her membership of WTO, integration of the economy has to be gradual so as to minimize the cost that may arise from the process. Control measures in an orderly manner, accompanied by sound macroeconomic policies; a strengthened domestic financial system, fiscal discipline and improved transparency through timely disclosure terms of trade would ensure a viable and self-sustaining economy.

Like the South East-Asian countries, Nigeria should strategically look inward to assess the industrial capability of the industrial sector and the economy at large so as to formulate bottom-top economic policies that will encourage local industries to transform the country from import economy to export oriented economy. And the issues of economic transformation should not be heard only in the media or politicized but Nigerian government should concentrate effort on the development of the productive forces so as to stimulate employment for the teeming unemployed Nigerians. Also, if our local industries must grow, the Nigeria Custom Service must be empowered to effectively prevent smuggling of prohibited products into the country.

Also, the Nigerian economic team should always consult widely before accepting any neoliberal economic policy like trade liberalization. As it were, trade liberalization may not be in the overall interest of the agro-allied, textile, and other industries in Nigeria. While gradually delinking of Nigeria from WTO is being advocated, there is urgent need for the federal and state governments to sincerely commit themselves to implement the economic blueprints of NEEDS and the Transformation Agenda of President Goodluck Jonathan.

Finally, the issues of increasing electricity supply in Nigeria should not be politicized to exist only on the pages of newspapers and in the media. Because locally made goods in Nigeria are higher in prices as the manufacturers use generators to run their machines due to the non-availability of consistent electricity power. Much money is spent on diesel, generators and black oil. This makes the domestic products more expensive thereby making way for the entry of foreign products into the market. Therefore, a leap should be

borrowed from countries like China, where the production cost is very low due to availability of cheap labour and stable power supply.

CONCLUSION

Ideally, the main objective of the WTO is to regulate international trade for the purpose of unlocking economic opportunities for nations. But in practice, trade liberalization does not guarantee the survival of industries in developing countries. The worrisome collapse of the textile industries in Nigeria is an indication that trade liberalization is capable of turning the country into dumping ground for textile materials and other products that were hitherto produced in the country. The composition of Nigeria's import and export trade is a strong indication that the country's participation international trade is not effective under the WTO's regime. Therefore, the argument of the dependency theory is appropriate because while trade liberalization has made many people and countries of the world much better off; it has at the same time made many others worse off. This does not mean that trade liberalization under the WTO regime is totally responsibility for the country's economic woe, we are much aware of some underpinning internal factors such as corruption that is a bane of development.

Since economic capability is a strong factor in international trade, developed economies gain more ascendancy over the developing economies. It is on the basis of this premise that we used the dependency theory to argue that the WTO which is advocating for trade liberalization is an institution whose policies are carefully designed to work in the interest of the Multinational Corporations (MNCs) and international financial institutions own by the developed countries. It was revealed that the positive impact of trade liberalization on Nigerian economy is inconsequential to solve the country's economic crisis. With all tense and purposes, trade liberalization is contributing to the dependency status of the Nigerian economy which is contributing to the worsening unemployment situation in the country.

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