# TAPPING THE OPPORTUNITIES IN AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) FOR ECONOMIC DEVELOPMENT IN NIGERIA

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**ABSTRACT**
*This study called on Nigerian government to explore the chances in the African Growth and Opportunity Act (AGOA) to improve the current economic woes, which have affected her development and global ranking. It derived its data from the secondary sources such as textbooks, articles, journals, etc., and adopted the theory of interdependence as a framework of analysis. From the qualitative analysis of the data stated above, the paper argued that AGOA, which has been in existence since 2000 has a lot of prospects for Nigeria. These opportunities are in the areas of trade and investment, job creation and poverty alleviation, textile industry, where women can own their companies, capacity building and technical assistance, as well the oil sector. Nigeria, even though has continued to remain a beneficiary of AGOA by meeting the yearly eligibility criteria for beneficiary, has not fully utilised these opportunities as it should. It is on this basis that the paper made some recommendations as follows: Nigeria should fully utilise the opportunities in AGOA to develop its economy by exporting more goods to US market; Enabling environment should be created for female citizens to own their business within the textile zone of Kaduna and other places to alleviate their sufferings thereby contributing to the economic development of the country; Nigeria should therefore take advantage of this opportunity to engage with the US to train Nigerian more businessmen and women in export processing among others.*

## Introduction

The economic sector of any society is the bedrock for its transformation. This explains why Marx refers to it as the foundation upon which the superstructure of the society is built upon (Majuk, 2001). Building a virile economy requires adequate time, energy and resources. While some countries, especially the advanced ones have attained high level of economic developments others are yet to reach such status. In 2012, Goldman Sachs "predicted that Nigeria could surpass Britain and several other European countries to become the 12th largest economy in the world by 2050" (Momah,

2015:187) thereby raising hope of Nigeria attaining the great power status. However, evidence has pointed to the contrary as the country's economy has been on decline in recent times due to the combined factors of: insecurity, which has led to the reduction of crude oil production in the Niger Delta region as well as the displacement of people in the northern region, the cash swap policy of President Buhari's administration, corruption, poor electricity supply, the implementation of the fuel subsidy removal by the President Tinubu-led government, the global effect of covid-19 pandemic, the Russian invasion of Ukraine and the tightening of monetary policy to control high inflation rate (World Bank, June, 2023).

The effects of the decline are reflected in its global ranking to the extent that Nigeria ranked 163rd in the UN Human Development Index in 2022 (Bailey, Sep 8, 2022). The recent report by the Work Bank (June, 2023:viii) also indicates that, "real Gross Domestic Product (GDP) growth fell from 3.3 percent in 2022 to 2.4 percent year-on-year (y-o-y) in Q1 2023", due to constraints in oil production and demonetisation of the naira. And that "about 40 percent of Nigerians -82.9 million people-live on less than the national poverty line in 2018/2019" (which is N137.430 per person per year) (World Bank, June 2023:36).

A part from the fact that Nigeria is now a place where more poor people live (Momah, 2015), the Foreign Direct Investment (FDI) into the economy has dropped from $2.2billon in 2014 to $0.47billion in 2022, while budget deficit has increased by 370.54% from 2016 to 2023 just as the cost of servicing debt has grown more than public revenues as public debt skyrocketed from N7.93trillion in 2013 to 77 trillion in 2023 (Tayo, 2023).

The Tinubu-led government, having realised the enormity of these economic challenges, promised, during his inaugural speech, to fix them by expanding the economy by at least 6% of Gross Domestic Product (GDP) yearly, lift barriers to investments, create jobs and unify the exchange rate, as well combat insecurity (Onuah, and Dzirutwe, May 29, 2023). So far, the government has taken some decisive actions towards the transformation of the economy. These include, the floating of exchange rate unification of Naira, the constitution of the economic council, fuel subsidy removal, suspensions of the Governor of the Central Bank and Chairman of the Economic and Financial Crime Commission (EFCC), travelling outside Nigeria to woo foreign investors, etc (Ukpe, 2023; Work Bank, 2023; Onuah and Dzirutwe, May 29, 2023).

While some of these steps are commendable, one other important way to achieve the planned economic transformation in Nigeria is to take advantage of the opportunities that are embedded in the AGOA initiative- a platform, which "represents the main plank of the United States initiatives towards the continent of Africa...to improve the economic policy making in Africa, enabling countries to embrace globalisation, and securing durable political and economic stability" (Matto, Roy and Subramanian, 2002:3). The initiative which was established in 2000 has undoubtedly remained the core US "trade and investment policy with Sub-Saharan Africa [SSA] as it provides eligible sub-Saharan African countries with duty free access to the $25 trillion U.S. economy for over 1,800 products, in addition to the more than 5,100 products that are eligible under the Generalized System of Preferences (GSP) program[mes]" (United States Trade Representative, June, 2022:10).

## Theoretical Framework

This study adopts the theory of interdependence for the purpose of analysis. According to Keohane and Nye (2012:7), "interdependence…means mutual dependence." They contend that "in world politics", interdependence "refers to situations characterised by reciprocal effects among countries or among actors in different countries. These effects often result from international transactions—flows of money, goods, people, and messages across international boundaries. Such transactions have." To Alker, Bloomfield and Choucri (1974:58) "interdependence refers more generally and purposively to a system of relationships or to policies designed to realize, change, maintain, or prevent value outcomes in particular situations". The theory is said to have been "popularised by two eminent scholars namely; Robert Keohane and Joseph Nye through their various publications" (Ibrahim, Adie and Nwokedi, 2018:24). It "speaks of the nature of the society we are living in where no single actor can survive alone. Every state no matter its levels of advancement; technologically, militarily, economically, etc. depends on another to achieve what it really wants (Ibrahim, Adie and Nwokedi, 2018:24)

Interdependence in international relations takes different forms. These include political interference, geographical interference, socio-economic interdependence, cultural interdependence, technological interdependence and economic interdependence (Stojanovic, 1978). In all these, economic interdependence is considered more fundamental (Alker, Bloomfield and Choucri, 1974; Stojanovic, 1978). For instance, Stojanovic (1978:249) argued that:

Economic interdependence is basic; it exhibits the dependence of material production processes on links with foreign economies…The interests most frequently consolidated in this kind of interdependence are those which can be vital to the survival of the nations concerned, or to their advancement. As an indicator of the degree and form of interdependence in international relations in general, the degree of economic interdependence is the most common and most significant. It may be said, therefore, that in economic interdependence we have a basis for international relations on which various other forms and kinds of interdependence can be built, and that all these are in the final analysis linked and attributable to economic interdependence.

According to a publication by the Japan's Ministry of Foreign Affairs https://www.nofa.go.pj/policy/other/bluebook/1975-1-1.htm) "in a world where interdependence has increased and the interests of various countries are so thoroughly intertwined, even a great power is limited in its ability to handle various problem on its own." In a world characterised by globalisation today, no single country can solve its own domestic challenges without the assistance from others. This is the most reason this framework of analysis has been considered as the most appropriate for the study. Thus, the current economic challenges that Nigeria is confronted with can be tackled if it can fully utilise the opportunities in AGOA, which it is an initiative by US to promote trade and other economic activities in sub-Saharan Africa for their mutual benefits.

## Explaining the Concept of Economic Development

Development, generally, is a concept that has different interpretations. For instance, Omotola (2006), cited by Mato, Jacob and Akintola (2011:3) defines it as a "multidimensional process [that involves] major changes in social structures, political attitudes and national institutions, as well as the acceleration of economic growth, the reduction of inequality and the eradication of absolute poverty." This definition aligns itself with that of Seers (1969), which conceives development as an indication of improvements in poverty, unemployment and inequality. In another dimension, Nwangwu (2001:33) argues that "development is man's ability to think and make conscious decisions about himself and his environment. Development is the process of reasoning out and charting a course for oneself, the community or group to follow, and determining concrete actions to take on the course taken."

At the level of individual, development "implies increased skill and capacity, greater freedom, creativity, self discipline, responsibility and material wellbeing" (Rodney (1972) cited by Adie and Nwokedi (2018:89). It is also "about meeting the needs of life of people like health, education, food, water, sanitation and housing" (Mato, Jacob and Akintola, 2011:3). Thomas (2010:33) contends that, "development implies the capacity to secure and sustain a better life for humankind in society. The striving to elevate human life and comfort from a given level considered to unsatisfactory to a better and perhaps more comfortable level." Nwangwu (2001:334) believes "development is an active process, which…contains two necessary ingredients, namely: visioning and action". Visioning entails imaging one's environment and seeing possible futures for it while action is the step taken to back up the visions. Development could be a process and an end or arrival. As a process, development involves progression in human society from one stage to another. It is an end or arrival when a society attains the level of development so desired.

However, Nwangwu (2001) is of the opinion that development is more basically a process rather than an end. This is because development as a concept is relative. For Todaro and Smith (2004) cited by Thomas (2010:32), development in all societies must at least have three objectives. These include: increasing "availability and widen the distribution of basic life sustaining goods such as foods, shelter, health and protection;" raising levels of living, including "higher incomes, provision of more jobs, better education, and greater attention to cultural and human values; and expanding "the range of economic and social choices available to

individuals and nations by freeing them from servitude and dependence" in relation to other peoples and nation states as well as "forces of ignorance and human misery." Thomas (2010) notes how the need for development led the United Nations to convene the Millennium Summit in 2000, which produced the Millennium Development Gals (MDGs) with focus on Eight targets such as poverty reduction and hunger, educating all children, gender equality, preventing child mortality and maternal mortality, disease prevention, proper use of resource to keep environment; and promotion of global partnership. It is import to note that the MDGs have been replaced by the Sustainable Development Goals (SDGs) since 2015. Be that as it may, as rightly stressed by Jacob and Izu (2011:23) "the development of nations does not just happen by accident, magic or mere wishful thinking but by determined, conscious and deliberate action of those piloting the affairs of the state."

Economic development, on the other hand, is the process by which emerging economies become advanced economies. That's the process by which countries with low living standards become nations with high living standards. Economic development also refers to the process by which the overall health, well-being, and academic level of the general population improves (Market Business News (MBN, 2023). Kamdari (2016:3) defines economic development as "the increase in the standard of living in a nation's population with sustained growth from a simple, low-income economy to a modern, high-income economy." The author goes on identify Labor force, technology, Capital, Natural resource, Land, Education and knowledgeable skill as source of economic development," stressing that "political stability, human development, diversification of economy and impact of regional economy can influence the level of economic development in any given society (Kamdari, 2016:4).

To Britannica (2011, May 5), economic development is a process whereby simple, low-income national economies are transformed into modern industrial economies. Panth (2020:1) "broadly, economic development is taken to be the structural transformation of an economy by introducing more mechanised and updated technologies to increase labour productivity, employment, incomes and standard of living of the people."

Economic growth and economic development are not necessarily the same, but the former can serve as a means of achieving the latter. Thus, Adebowale (2016:627) noted "economic growth is an integrated concept which includes increasing income and productivity, generation of employment, and economic diversification. These types of policies that drive economic growth include policies on employment, poverty, agricultural production and security. Growth generates resources which are potentially available for development in all ramifications, including economic development."

Economic development takes into account the following information: Average life expectancy, i.e. how long people's lifespan are; Education standards; Literacy rates, i.e., what percentage of the population can read; Environmental standards; Availability of housing, plus the quality of housing; Access to healthcare. This takes into account the number of doctors per thousand people, access to affordable medicine, etc.; Income per capita (Market Business News (MBN, 2023). According to Britannica (2011, May 5) Economic development orientated projects involved large capital investments in infrastructure such as roads, irrigation networks, etc., industry, education, and financial institutions.

Furthermore, it has argued that, "the economic development as we know it today began only since the 19th century following the British Industrial Revolution" (Jwa, 2017:51). The above source adds that before this period, human societies experienced poor economic conditions under the "Malthusian traps". However, economic transformation came about due to changes in demographic structure and economic institution; legalisation of limited liability joint-stock company system; role of government as economic discriminator and economic motivator; emergence of the corporate economy from the agrarian economy by the power of corporation (Jwa, 2017).

## An Overview of the African Growth and Opportunity Act

The African Growth and Opportunity Act was originally established under pub. L No106-200, May 18, 2000 by the US Congress (GAO, 2014) to provide "duty-free access to a range of commodities, including agriculture, textile and apparel, and petroleum" (GAO, 2014:3) from

sub-Saharan African countries to the US markets (Akinboye, 2013). The original policy statement of AGOA in 2000 principally includes, "'encouraging increased trade and investment between the United States and sub-Saharan Africa; reducing tariff and nontariff barriers and other obstacles to sub-Saharan African and United States trade,' and 'expanding United States assistance to sub-Saharan Africa's regional integration efforts'" (United States International Trade Commission, March 2023:31).

AGOA programme covers both textile and non-textile goods which have been re-authorised recently through September 30, 2025 (US Customs and Border protection, 2021). Some of these items include: Uranium, Aluminium, Zink, Oil, Agricultural Products, Meta Products, Textile, Footwear components, plastic articles of wood, paper products etc (Sunday, 2019). The initiative "has encouraged American companies to both do business with and invest in sub-Saharan Africa. It has spurred economic growth and created tens of thousands of jobs across the continent. The program[me] also has provided incentives to African governments to undertake key political and economic reforms" (United States Trade Representative, June, 2022:8). In addition,

> AGOA has helped create a more conducive environment for American investment and business interests as African markets continue to expand. The legislation has also enabled many American companies to get a foothold into key African markets and diversify their global sourcing chains. Many African countries have taken advantage of the benefits related to AGOA's tariff preferences and liberal rules of origin for apparel. Utilization of these benefits has led to significant increases in exports of apparel to the United States from countries such as Kenya, Lesotho, Madagascar, Mauritius, and Eswatini (United States Trade Representative, June, 2022:10).

## Eligibility Criteria for Beneficiaries

For a Sub-Saharan African country to benefit from AGOA initiative, there are certain criteria it must meet. These conditions as contained in Section 104 of AGOA include some requirements that the country in question has already established or is making continual progress toward establishing. They include:

**i.** A market-based economy

**ii.** The rule of law

**iii.** Political pluralism

**iv.** The right to due process

**v.** The elimination of barriers to U.S. trade and investment

**vi.** Economic policies to reduce poverty

**vii.** A system to combat corruption and bribery

**viii.** Protection of internationally recognized worker rights.

Also, a country desirous of benefiting from the initiative must not pursue activities that tend to undermine the United States national security or foreign policy interests or commit gross violation of internationally recognised human rights (Curtice, 2019). Consequently, any country that fails to meet these cannot benefit from the initiative. Also, those which are already benefiting could be terminated from benefitting if they failed to adhere to the conditions.

In 2022, the US President designated the following 36 countries as beneficiary sub-Saharan African countries: Angola, Benin, Botswana, Burkina Faso, Cabo Verde, Central African Republic, Chad, Comoros, Democratic Republic of Congo (re-instated in 2021), Republic of Congo, Cote d'Ivoire, Djibouti, Eswatini, Gabon, The Gambia, Ghana, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda (AGOA apparel benefits suspended effective July 31, 2018), Sao Tome & Principe, Senegal, Sierra Leone, South Africa, Tanzania, Togo, Uganda and Zambia. Whereas the following sub-Saharan countries were not designated as beneficiaries: Burundi, Cameroon, Equatorial Guinea (graduated from GSP), Eritrea, Ethiopia (terminated in 2022), Guinea (terminated in 2022), Mali (terminated in 2022), Mauritania, Seychelles (graduated from GSP), Somalia, South Sudan, Sudan and Zimbabwe (Federal Register, 2022; Wong, 2013).

The US terminated the eligibility status of 16 countries since 2001 of the initiative including Eritrea, Mauritania, Guinea, Madagascar, South Sudan as a result of political unrest and coup d'états. Also, in Democratic Republic of Congo (DRC), Gambia, Swaziland and Burundi were denied benefit on account of human right abuse (Sunday, 2019). Albeit, according to United States International Trade Commission (March 2023:16) "the most common reason for a loss of eligibility relates to concerns over the rule of law and political pluralism."

To ensure the sustenance of the initiative, AGOA provides for the United States-Sub-Saharan African Trade and Economic Cooperation Forum –AGOA Forum, which takes place yearly and alternately in US and Africa. Accordingly, the forum provides them the opportunity to "discuss expanding trade and investment relations between the United States and Sub-Saharan Africa and the implementation of [AGOA] including encouraging joint ventures between small and large businesses" (Williams, 2015:6).

Nigeria has continued to be a member of AGOA following its satisfactory performance in meeting AGOA conditions from the yearly review report (Onyekwere, May 30, 2023). However, "critics have observed that Nigeria has not benefitted much from AGOA because Nigeria's products are not economically competitive in the US. Coupled with the problem of infrastructure such as power, transport and delay in ports combined to increase the cost of production of some of the goods to be exported to the US markets" (Akinboye, 2013:36).

## Nigerian Economy and the Imperative for AGOA

Nigeria, basically, operates a mono economy that revolves around the sale of crude oil production. Unfortunately, this crude oil business hardly meets the needs of Nigerians today. This is further complicated by the report that, "oil production is consistently declining thereby preventing Nigeria from benefitting fully from higher global oil prices. In 2021, the output in Nigeria declined by 8.3 percent and was further declined by 19.2 percent in 2022 and a 4.2 percent y-o-y [year-in-year-out] decline in first quarters of 2023" (World Bank, 2023:2). Furthermore, report on Nigeria by AGOA itself shows that:

> Economic diversification and strong growth have not translated into a significant decline in poverty levels; over 62% of Nigeria's over 180 million people still live in extreme poverty. Despite its strong fundamentals, oil-rich Nigeria has been hobbled by inadequate power supply, lack of infrastructure, delays in the passage of legislative reforms, an inefficient property registration system, restrictive trade policies, an inconsistent regulatory environment, a slow and ineffective judicial system, unreliable dispute resolution mechanisms, insecurity, and pervasive corruption. Regulatory constraints and security risks have limited new investment in oil and natural gas, and Nigeria's oil production had been contracting every year since 2012 (https://agoa.info/profiles/Nigeria.html).

According to the 2023 Index of Economic Freedom published by Heritage Foundation (2023), out of the 46 Sub-Saharan countries surveyed, Nigeria ranks 22nd and its total score is below the global average. The report states further that, "the structural changes that are needed to develop a more vibrant private sector or achieve more broad-based growth have not emerged. Oil continues to dominate the economy, and institutional problems negatively affect other economic activity. The judicial system is susceptible to political interference, corruption is prevalent, and the rule of law is weak" (Heritage Foundation (2023:272). Aside from the fact that Nigeria ranks 150 out of 157 in the Work Bank's 2020 Human Capital Index, "the country continues to face massive development challenges, including the need to reduce the dependence on oil for exports and revenues, diversify its foreign exchange sources, close the infrastructure gap, build strong and effective institutions, as well as address governance issues and strengthen public financial management systems" (https://www.worldbank.org/en/country/nigeria/overview).

Ukeje (1999:110) has confirms that "cash crops are no longer exporter and food crops are no longer grown in the quantity capable of satisfying domestic needs," stressing that even "the cotton and groundnut pyramids of Northern Nigeria have collapsed."

The above reports are not ones that should gladden the heart of any patriotic citizen of this great country. This is why Nigeria must explore the opportunities in AGOA to transform her economy. Doing so will bring Nigeria to trade directly with the largest economy in the world being the US. In fact, "with a GDP of 23.32 trillion dollars", the USA, according the 2021 global ranking, is by far the world's largest economy seconded only by China with 17.73 trillion. (https://www.worlddata.info/largest-economies.php). Again, as rightly observed by Lores (17 March, 2022), the economy of the United States is 33.9% larger than the European Union; 15% larger than the combined economies of China and India; 8.5%times larger than the rapidly developing continent; its population is 332 million 3.7 SQKM approximately. So, this is an opportunity Nigeria cannot afford to miss at this critical point.

## Tapping the Opportunities in AGOA for Economic Development in Nigeria

The opportunities Nigeria can explore in AGOA initiatives include: trade and investment, job creation, poverty alleviation, the non-oil sector like textile, women affairs and technical assistance. Let's now discuss them further.

### Trade and Investment

> A positive sign of the reemergence of strong trade and investment ties between the United States and sub-Saharan Africa is that in 2021, non-oil imports under AGOA (a major source of AGOA's job-creating value) were approximately $4.8 billion. This represented a sizeable increase from $3.4 billion and $3.8 billion in 2020 and 2019 respectively, and was the largest annual figure since 2013 (office of the United States Trade Representative, June, 2022:8).

Trade is an important instrument for socio-economic re-engineering. The US recognises this as it maintains: "trade keeps our economy open, dynamic and competitive, and helps ensure that America continues to be the best place in the world to do business." (https://ustr.gov/about-us/benefits-trade). Also, "trade is critical to America's prosperity-fuelling economic growth, supporting goods jobs at home, raising living standard and helping Americans provide for their families with affordable goods and services" (https://ustr.gov/about-us/benefits-trade).

Today, the United States is the world's largest economy and the largest exporter and importer of goods and services. Nigeria is the second largest trading partner of the US in Africa, however, the trade is "characterised by relevance on a few export commodities for foreign exchange earnings especially oil" (Ola cited by Sunday, 2019:88), which they import 40 roughly 40% representing about 8% of US overall imports (Sunday, 2019). Nigeria can do more by becoming the first trading partner in areas where it has comparative advantage.

In terms of investment opportunity, AGOA has made it possible for benefitting countries to receive Foreign Direct Investment (FDI) from the US vice versa. The importance of FDI to any economy cannot be overrated. Thus, as posited by Imoughele and Ismaila (2014:201), "most countries strive to attract Foreign Direct Investment (FDI) because of its acknowledged advantage as a tool of economic development."

Unfortunately, evidence has shown that Nigeria ($6.8 billion) came third behind South Africa ($10 billion) and Mauritius ($8.3 billion) in the report of the "largest destinations for cumulative outward U.S. FDI stock in sub-Saharan African countries in 2020 (Office of the United States Trade Representative, June, 2022:9). As the largest economy in Africa, this position is unacceptable. Since some US companies have invested substantively in the food and industries such as coca-cola, Pepsi, 7up, etc (Sunday, 2019), Nigeria can explore more on these to expand the scope for the betterment of her economy.

### Job Creation and Poverty Alleviation

Job creation is another area Nigeria can explore in the AGOA initiative because the platform has "continues to provide beneficiary countries with an important comparative advantage in exporting in the U.S. and can be leveraged to regain pre-COVID-19 economic growth levels. By providing such market access, the legislation has helped millions of people, supported increased investment across the continent, created hundreds of thousands of new jobs in eligible countries and sectors, and

helped to alleviate poverty on the continent" (United States Trade Representative, June, 2022:10).

Moreover, it has been shown that "AGOA has had an impact on economic development and poverty reduction vis-à-vis job growth. This outcome is noted especially in the apparel industry, as the eight largest AGOA beneficiary apparel sectors directly employed an estimated 240,000–290,000 workers in 2021" (United States International Trade Commission, March 2023:20). Harnessing the full potential in AGOA will go a long way towards reducing the high poverty rate and other economic quagmires in the country as reported by World Bank (2023) below:

> High oil prices since 2021 did not boost the performance of the Nigerian economy as has been the case in the past. Rather, macroeconomic stability weakened, amidst declining oil production … exchange rate distortions, monetization of the fiscal deficit, and high inflation. The deteriorating economic environment is leaving millions of Nigerians in poverty. On current trends, with Nigeria's population growth continuing to outpace poverty reduction, the number of Nigerians living below the national poverty line will rise by 13 million between 2019 and 2025 (https://www.worldbank.org/en/country/nigeria/overview)

## Oil and other Non-oil Sector

Based on available reports, Nigeria is lagging behind in terms of export in the non-oil sector to the US. For instance in 2013 "90 percent of the Petroleum products were imported from three countries- Nigeria (51percent), Angola (28 percent), and Chad (11 percent); all machinery and transportation equipment products were imported from one country-South-Africa; and 91 percent of the textile and apparel products were from three countries- Lesotho (36percent) Kenya (34 percent) and Mauritius (21 percent)" (GAO, 2014:2). Also, among the top five country exporters under AGOA in 2019, Nigeria's export to the US valued at $3.1 billion was mostly crude oil, whereas South Africa's exported goods ($2.0 billion; mostly vehicles and parts, nuts, wine), Angola ($605 million; mostly crude oil), Kenya ($518 million; mostly apparel, nuts, cut flowers), and Ghana ($441 11 million; mostly crude oil, cassava, cocoa powder/paste)" (Office of the United States Trade Representative June, 2020:10-11). South African is now the largest non-oil AGOA beneficiary that has "exported the widest array of products under AGOA, ranging from passenger vehicles to citrus products, yachts, and frozen sorbet" (Office of the United States Trade Representative, June, 2022:10).

## Textile: Apparel

It has been observed that the most "important incremental benefits provided by AGOA relate to the two non-petroleum categories; first, it was the export of Apparel products while the second is composed of different non-apparel products such as foot wears, agricultural products watches among others" (Matto, Roy and Subramanian, 2002:6). "AGOA places heavy emphasis on Africa's emerging textile and apparel industry as a primary sector for trade benefits. This sector is considered to hold the highest potential of fostering Africa's export competitiveness and export led pro-poor growth by generality greater employment due to its relative labour" Páez, karingi, Kimenyi, and Paulos (2010:1). Lucky enough, in August, 2009, Nigeria was among the 19 African countries that were approved under the hand-loomed and the hand-made provision of category 9. Under this category, "AGOA provides duty and quota-free benefits for hand-loomed, hand-made, folklore article, or either printed fabrics, made in beneficiary Sub-Saharan African countries" (https://legacy.trade.gov/agoa/eleigibility/apparel-eligibility.asp**).** Nigeria can revive its moribund textile industry in Kaduna so as to key into this opportunity. It is sad to note that cotton production which used to contribute 25 percent to Nigeria's GDP in 1980 has dropped significantly to only five percent at present. Also, 51 ginneries, which were in operation across the country in the '80s, are now down to only 10, operating at low capacity (Momah, 2015).

## Opportunity for Women Owned Companies

Another opportunity Nigeria can tap into is for her female citizens to benefit from export of

goods to the US market like their counterparts in other African countries. As report has it:

> U.S. imports of several non-oil AGOA products experienced sizable increases since AGOA was passed, including vehicles and parts, sunglasses, footwear, home goods, jewelry, cut flowers, cocoa powder and cocoa paste, cassava, and macadamia nuts. In many cases, it is women owned businesses in Africa that are supplying these products to the United States and women owned companies in the United States that are sourcing (United States Trade Representative, June, 2022:10).

Note that the emphasis is on women. African Growth And Opportunity Act (July, 2013:2) corroborates the above by identifying Lesotho as a shining example of AGOA opportunity for women. Thus, "in Lesotho, AGOA has spurred a vibrant textile and apparel industry that is the nation's largest private sector employer. The sector has generated more than 36,000 jobs, mainly for women. Lesotho is now sub-Saharan Africa's largest exporter of garments to the United States, with more than $300 million in clothing exports to the U.S. in 2012 under AGOA." Williams (2015:13) reports that "Lesotho estimates that employment in manufacturing rose from 19,000 in 1999 to 45,700 in June 2011" as a result of the opportunity to export under AGOA. Nigeria has more women who can do this and improve the economic fortunes of the country. All that is needed is to create enabling environment and the women will do the needful.

## Technical Assistance and Capacity Building

The importance of technical assistance and capacity building cannot be overstressed in any sectors of the economy because both of them can enhance productivity. AGOA has graciously provides for this as it requires the US government to target its technical assistance and trade capacity building (TCB) in AGOA member states (Williams, 2015). Between 2001 and 2013, TCB assistance has been provided primarily through the Millennium Challenge Corporation (MCC, 58%) and the U.S. Agency for International Development (USAID, 31%), with 53% of funds obligated for trade-related infrastructure, 15% for trade-related agriculture projects, 11% for trade facilitation, and 21% for other TCB categories" (Williams, 2015:7). The above author maintains that the essence of TCB is to promote liberalisation of trade policy; harmonisation of laws and regulations with WTO membership commitments; engagement of financial and fiscal restructuring; and facilitation of greater agribusiness linkages. Nigeria can benefit from this by having its citizen access this assistance from the US.

## Conclusion

The African Growth and Opportunity Act is a partnership between the US and the Sub-Saharan African countries to promote economic growth and development. The initiative, which started in 2000, has assisted many sub-Saharan African countries achieve some milestones in their development drives both in the oil and non-oil sectors. For instance, it has enabled the African countries exported goods to the US while the US in turn has brought investments to them. Nigeria, having met the yearly eligibility criteria has remained a beneficiary. However, as Onyekwere (May 30, 2023) has argued, Nigeria is yet to take full advantage in the AGOA preferences to drive non-oil exports to American markets, compared to other beneficiary countries. Given the economic challenges that currently confront Nigeria, and the fact that AGOA has proven records of economic advancement in the SSA, especially in the areas of trade and investment, job creation in textile industries etc, Nigeria can tap into these opportunities to address its economy that is nose-diving. A country with a huge population, high economic potentials and other critical indices for development like Nigeria cannot continue to occupy back seat in AGOA initiative.

## Recommendations

On the basis of the above findings**,** the paper makes the following recommendations:

1. Nigeria should fully utilise the opportunities in AGOA to develop its economy by exporting more goods to US market.

2. Nigeria, being the most populous country with the largest crude oil production (only (overtaken recently by

Angola) should be the first largest exporter of crude oil to US and not the second as shown in the study.

3. The non-oil sector such as the ailing textile industry should be revived to create jobs and produce more goods for export to America as seen in Lesotho documented in this study.

4. Enabling environment should be created for female citizens to own their business within the textile zone of Kaduna and other places to alleviate their sufferings thereby contributing to the economic development of the country.

5. The need for technical support and capacity building for Nigerian businessmen and women cannot be overstressed. Nigeria, should therefore take advantage of this opportunity to engage with the US to train Nigerians in processing of export commodities.

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