STRATEGY AND CHALLENGES OF`ECOWAS PROTOCOL ON TRADE LIBERALIZATION AND ECONOMIC DEVELOPMENT IN NIGERIA

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KEYWORDS
ECOWAS Trade Liberalization Scheme (ETLS), Protocol, Economic Development, Common External Tariff (CET)

ABSTRACT
ECOWAS protocol on trade liberalization was to give rise to the elimination of custom duties and accompanied by the total elimination of all non–tariff barriers as well as other administrative barrier and establishing common external tariff (CET) by promoting sub-regional trade through the strategy of businesses within the region the opportunities for sustained growth and enhance export competitiveness. However, despite the numerous benefits of ECOWAS protocol on trade liberalization answer to the overcoming economic challenges still remain low. The study examines the strategy and challenges of ECOWAS trade liberalization in economic development of Nigeria. However, the neo-functionalist theory was used to anchor the study with the aid of both Primary and secondary methods of data collection, especially interviews together with elicited information from library and official (government) sources, books, journals, dailies and periodicals, internet materials. The result of the study revealed eight major non-tariff barriers impeding Nigeria economic development effectively participating in trade within the community, particularly Nigeria. The non-tariff barriers include lack of interest in products with ECOWAS origin, Interim EPAs, long administrative custom procedures requiring long list of documents, congestion at the ports as a result of inefficient bureaucracies, which usually leads to long delays, extortion, and corruption among others. Despite the challenges, the study contributed to existed literatures showing that trade liberalization is good for the Nigeria economic performance in the variables explained in the study; although it has to be handled carefully as it also has some negative effects. This raises a challenge for economy policy makers to rigorously assess trade agreements and policies and to take into account certain economic policies aspects and country specific characteristics of the West African community. In line with the findings of the study, some policy

options were recommended in order to ensure that the ECOWAS trade protocol is beneficial to the Nigeria economy and to improve the international trading position of Nigeria.

1.1 Introduction

Trade liberalization was established after the 2nd World war in 1947, with the creation of the General Agreement on Tariffs and Trade (GATT). GATT was negotiated in 1947 by 23 countries of which 12 are industrialized countries and 11, developing countries. The main focal point of the GATT was to lower trade barriers. GATT was later replaced by the WTO (World Trade Organization) in 1994 (GATT 2000). Basically, the main purpose of trade liberalization is to allow countries to export those goods and services that they can produce efficiently, and import the goods and services that they produce inefficiently. Trade liberalization through regional, bilateral or multilateral trade agreements creates a competitive environment, permits the diffusion of knowledge and transfer of technology, enhances the competitiveness of export, increases access to the international market, expands the domestic market, creates marketing networks, provides managerial and technical skills, enhances the transformation of technology, results in industrialization, leads to job creation, improves productivity, enhances economic growth, provokes the expansion of the export sector and stimulates the reduction of sectors competing for import. All the developing countries except for the Asian Tigers, China and India witnessed a gloomy economic growth between the era of 1960 and 1980 (Kebede, 2002). This study however has remained dismal for most Latin American, Asian and African countries.

Trade liberalization, a driving force of globalization and a necessary step to realize openness to trade was adopted in Nigeria in 1986 through the SAP of the Breton Woods institutions: World Bank and the IMF to reverse the negative consequences of past policies of protection embraced in the fifties and sixties. This signaled a departure from an import-substitution strategy to an export-promotion strategy. The protectionist policies were characterized by high import tariffs and prohibitions that discouraged export expansion and diversification. Before Nigeria adopted the trade liberalization policy in 1986, she experienced poor performance in terms of economic growth for most of the periods. The highest annual Gross Domestic Product (GDP) growth rate after independence was 25%, 24% and 14% for 1970, 1969 and 1971 respectively. Nigeria recorded a negative real GDP growth rate from 1966 to 1968, 1975, 1978, 1981 to 1984 and 1986 (Kebede, 2002). Drawing from the array of Kobede works it was believed, that it led to a considerable reduction of barriers to trade and devaluation of the naira. Nigeria joined the WTO in 1995 and committed herself to further reductions of tariff on goods to ensure their free trade and improved standard of living among Nigerians.

It was clear that alternative policies were needed to turn the economy around. Nigeria, therefore, embarked on several economic reforms on the platform of a regime of liberalized policy that accompanied SAP in 1986. A negative real GDP growth rate was recorded in 1987. However, positive growth rates were recorded from 1988 to 1990. Nigeria pursuit to take full opportunity and privileges in global trade relations at bilateral, multilateral, regional or continental space, with her active participation in ECOWAS countries (Olumide 2019) ECOWAS has taken several measures in ensuring sub-regional economy meet with that of developed nations by creating several protocols, treaties and scheme to achieve her goal of economic development. Despite the reforms implemented to boost economic performance, the growth performance of the post-liberalization era provided a dramatic contrast to the ones experienced during the pre-liberalization era. Hence this study tends to investigate the challenges and strategy adopted in the implementation of ECOWAS protocol on trade that has not yet seen the light of the day.

1.2 Statement of the Problem

Past studies examining the phenomenon of low intra-trade among ECOWAS countries have shown that non-tariff barriers are obstacles that restrict the import or export of goods through other means than tariffs (Boso et al., 2016). The World Trade Organization (WTO) has identified a number of non-tariff barriers to trade. These barriers include import licensing, pre-shipment

inspections, and rules of origin, customs delayers, and other mechanisms that block or restrict trade. Non-tariff barriers consist of factors and policies other than customs tariffs, which can potentially generate restrictions and diminish trade flows. Specifically, the issue of non-tariff barriers (NTB) has been seen as germane to market access of Africa's exports (WTO 2016). The findings of Adebamge (2019), for instance, show trade discriminatory policies such as the imposition of sanctions and embargos to protect local businesses as critical factors weakening intra-trade among countries. These findings suggest that to address the low sub-regional trade effectively; there will be a need to identify unique non-tariff barriers preventing indigenous ECOWAS trade, particularly local businesses, from trading among member countries for economic development.

The establishment of ECOWAS Trade Liberalization Protocol was a deliberate attempt in opening the economy fuel by increase trade within the sub-region and Nigeria in Particular which satisfy the rules of origin of the community, the multiplier effect of this scheme, if fully implemented will be the creation of common market for exports in the sub-region enjoying the elimination of custom duties, removal of tariff and non-tariff barriers, and establishment of a common external tariff (CET) to protect goods produced in member states, reduced its dependence on expensive importation and encourage domestic production, a lesser dependence on oil revenues, and devaluation of the exchange rate, to improve the trade balance, on one hand, worsen the burden of financing international trade translating to economic development in Nigeria. (Having a vast population, Nigeria has not utilized it in achieving this goal of development but however it has brought about a disequilibrium that is, widening the gap between the rich and the poor).

However, this protocol has not yet seen the light of the day in its operation of economic development in Nigeria: the economic and financial policies are not harmonized despite the fact that a framework has been defined. This problem is all over the region such that at the end of 2008, economic growth experienced the percentage of total trade stood at: 70% in the European Union; 32% in North America; 47% in developing Asia; 27% within Latin America and the Caribbean; and 10% in ECOWAS countries and Nigeria economic in particular is losing out in billions of dollars in potential of trade earnings every year because of high trade barriers with neighboring countries (Ekra, I.J 2011).

A number of steps have been taken by the government of Nigeria and has continuously worked at harmonizing trade practices with ECOWAS countries, and creating a conducive and competitive environment for Nigerian businesses to flourish and compete in the regional and global economies. This is aimed at laying a solid foundation for fully exploiting Nigeria's potential in sub-regional trade (Briggs, 2007). Despite these efforts domestic infant industries are destroyed by competition with already established firms, without bringing about a creation of new ones. This therefore results in a way trade is liberalized just in words and not in action. Nigeria, learn close to nothing instead, we are used as a dumping ground by other countries and obviously has an adverse effect on the economic development of Nigeria. However, it is as a result of these pending problems that the researcher raised the research questions of this study.

1.3 Research Questions

i. What are the strategies adopted by Nigeria government in the implementation of ECOWAS protocol on trade liberalization?

ii. What are the challenges confronting the implementation ECOWAS protocol on trade liberalization in Nigeria?

1.4 Objectives of the Study

i. To examine the strategies Nigeria government adopted in the implementation of ECOWAS protocol on trade liberalization.

ii. To identify the challenges confronting the implementation of ECOWAS protocol on trade liberalization in Nigeria.

1.5 Research Propositions

i. Poor strategy adopted by the government of Nigeria to implement ECOWAS protocol on trade

liberalization is the reason for Nigeria economic development.

ii. The lack of effective supervision of the government agency on sub-regional trade is the major challenge confronting the implementation of ECOWAS protocol on trade liberalization in Nigeria economic development.

1.6 Literature Review

Conceptual Review

1.6.1 Trade

At this point, trades are defined, in this study, as the exchange of goods and services for money. Especially business that takes place between one or more countries. Traders, in this study, are comprised of mainly business men/women whose commercial activity is about the movement of goods and services from one country to another with economic benefits in Nigeria. Traders are usually conscious of their economic gains. There basic means of livelihood is carrying out transaction among countries in the sub-region. Traders largely exchange capital, goods and services across international borders or territories. Traders are usually conscious of government policies in their dealings for economic growth.

1.6.2 Trade Liberalization

In developed nations, trade liberalization referred to free trade, which is the removal or reduction of all barriers to trade to ensure a free flow of trade between countries of the world, according to Greenaway (1998:492);

> *"Trade liberalization is the removal of tariff, or any other intervention which restores the free trade set of relative prices change in government policy which reduces anti-export bias and moves the relative prices of tradable towards neutrality; the substitution of more efficient for less efficient forms of intervention".*

Alternatively, Trade liberalization, in this study can be defined as the removal of trade barriers and relative price bias, which aims to increase competitiveness, demand contraction; increasing the supply and diversity of tradable in line with comparative advantages defined by endowed factor-price ratios. In the context of developing nations Bongsha, (2011) in agreement Bezuneh and Yiheyi (2009) saw trade liberalization as a process of becoming open to international trade through a systematic reduction and eventual elimination of tariffs and other barriers between trading partners. Over the years, trade was considered as an essential and motor of economic growth for nations which are at different levels of growth. For many years, there has been a tremendous economic growth in some countries and a fluctuating economy in others and as a result there exists less evidence of convergences (Ejike, Anah, and Onwuchekwa, 2018). International trade plays a crucial role in the sense that there exist both dynamic and static gains from trade though trade theories do not say anything about the fairness of those gains from trade. Therefore, for the purpose of this study, Trade liberalization is the openness and determinant of economic development.

1.6.3 Economic development

Prabha Panth (2021) conceived economic development as important for a country to reduce its poverty by providing more employment, higher incomes, improved goods and services, latest technologies of production and reinforcement of capabilities that increase the abilities of economic actors in a country. The economic actors may be firms, industries or individuals, but in a resource-based economy, development may hampered by natural endowments. This is contrary with what is attainable in a contemporary knowledge-based economy that largely relies on skills that are developed over a period of time. Scholars defined economic development as the opportunity to increase skills or abilities that permit them to make significant contributions to the state's economy. This shows that economic development involves taken to be the structural transformation of an economy by introducing more mechanized and updated technologies to increase labor productivity, employment, incomes, and standard of living of the population. Nevertheless, the study did not examine the related factors like the structure of a country's economy and level of participation of the people in economic production which can influence economic development, especially in developing economies.

Economic development in a country is measured as Gross National Income (GNI) and Gross Domestic Product (GDP), life expectancy, literacy level, infant mortality rate, Poverty Gap Index, unemployment ratio, Human

Development Index (HDI), Income Gap Ratio, life expectancy at birth, mean years of schooling for people aged 25 years, Gender Inequality Index (GII), economic self-reliance, cultural preservation and promotion, and good governance (Salami, Tilakasiri and Ahmed, 2021). The following are important economic indicators in measuring economic development. However, these indicators for measuring economic development do not adequately capture economic development within the context of ECOWAS Trade Protocol in Nigeria.

1.6.4 Empirical Review

Strategies of Nigeria government in the implementation of ECOWAS protocol on trade liberalization

Olushola, Bello and Ngozi (2014) in a research titled ECOWAS Common External Tariffs: The Nigeria Readiness used trade theory and interviews as instrument for data collection, found that most of the implicit assumption is that all tariffs are fully collected at the border with no exemptions. Three scenarios are simulated: first, Nigeria implements the ECOWAS CET on all non-banned products, and zero tariffs for ECOWAS partners, but continues to apply the bans and current levies on top of the CET; second, the import bans are removed but levies are maintained on top of the CET; and third, under full implementation of the CET, the levies are removed as well.

He further explained that the weighted average tariff rate under the current tariff regime is 10.5 percent. According to TRIST results, this would increase to 11.3 percent once the CET is implemented. The only industry where a significant reduction in the tariff rate could be expected is tobacco, as for most other industries the new CET rate is similar to the current tariff structure. More so, there should be strong anti-dumping measures to protect local industries. The gap here is that Strategies of Nigeria government in the implementation of ECOWAS protocol on trade liberalization were not captured.

Ifeanyi (2017) studied Effect of Trade Liberalization on the Economic Growth of Nigeria. Classical and modern theory was employed as theoretical framework. The study adopted descriptive research design with in-depth review of literatures. The study also made use of secondary data which include newspapers and journal publications. It was found that Gross Domestic Product, Degree of Openness, Net Export, Net Import, Exchange Rate and Balance of Payment gotten from Central Bank of Nigeria Statistical Bulletin, December 2016, volume 5 number 4. For the purpose of this study, Gross Domestic Product is the dependent variable. It started from N15,258.00B in 1981 and rose to N67,984.19B in 2016. Summarily there was a positive increase which can also be interpreted as economic growth during the period under review. This can be attributed to the Net Export, because a rise in a country's Net Export encourage domestic production thereby stimulating Gross Domestic Product while a fall in the Net Export discourage domestic production which will invariably reduce the Gross Domestic Product. Degree of openness is the sum of export and import divided by Gross domestic product. It recorded between 0.000-1.028 during the period under study. The degree of openness will affect Export, Import and to a considerable level Balance of Payment. Exchange rate has been on a steady rise from 1981 to 2016 increasing from 61Kobo to 372Naira. However, the study did not examine Strategies of Nigeria government in the implementation of ECOWAS protocol on trade liberalization which is the focus of this study.

Alugbuo and Uremadu (2020) studied Trade liberalization and trade inflows: A study of Nigeria's economy using ARDL model approach. The objective of the study was to understand the rationale on how trade liberalization allow countries to export those goods and services that they can be produced efficiently, and import the goods and services that they produce inefficiently. The study critically examined the perspective trade liberalization aids growth, which in turn aids poverty alleviation adopted by Federal government. The study collected data from secondary sources. And the technique of "content analysis" was used in analyzing the data. It was found that the trade openness (trade liberalization) has an insignificant economic effect on the Nigeria economy in the presence of other internal and external macro-economic shocks. Nevertheless, to achieve a high and sustainable growth, some policy recommendation was proffer, which when properly implemented, will surely stimulate greater growth of output. However, the study did not examine strategies of Nigeria government in the implementation of ECOWAS protocol on trade liberalization which is the focus of this study.

Challenges confronted by government in the implementation ECOWAS protocol on trade liberalization in Nigeria

Akims (2014) studied the prospect of ECOWAS trade liberalization in Nigeria using theoretical and empirical evidence of the possibility between ECOWAS trade protocol and economic development in Nigeria. The purpose of the study was to examine Nigeria participation in the ECOWAS Trade Liberalization scheme and the potential gains that may accrue the country opening up trade in West Africa sub-region. The study was built around the trade theory, which linked trade liberalization and economic development to the total elimination of all non-tariff barriers. Data for the study was collected from secondary source and analyzed using content analysis method. It was found out that administrative barriers and diverse custom charges brought about roads blocks attracting heavy taxes in borders of the sub-regional countries, which have been the major driver of ECOWAS common external tariffs. This has made government of states to initiate policies that can improve trade relation. Among other things it was recommended that policymakers of the government should balance its strategies of trade liberalization as a result of the inability of the economy to absorb the adverse shocks from foreign trade. However, the study did not identify the challenges confronted by government in the implementation of ECOWAS protocol on trade liberalization in enhancing economic development in Nigeria, which is the focus of this study.

Erik, Von and Lulu (2014) studied implementing the ECOWAS protocol on trade liberalization Challenges and Opportunities focusing on Nigeria economic. The purpose of the study was to determine new opportunities for Nigerian firms to benefit from the regional market that are likely to arise if the protocol is implemented. Data for the study were collected largely from secondary source and analyzed using content analysis method. It was found out that implementing the trade protocol is without risks, and that those who fear negative consequences should not be heard. Workers in most industries could expect to see their firms benefit from access to cheaper inputs, new market opportunities in the region, and fewer obstacles when they import and export their products. Nevertheless, the study did not identify the challenges confronted by government in the implementation of ECOWAS protocol on trade liberalization in enhancing economic development in Nigeria, which is the focus of this study.

Sam Agbahoungba (2019) studied Trade Liberalization and Economic Performance in the ECOWAS Zone: A Granger Causality Analysis. The Study attempts to understand the causal link between trade liberalization and economic performance in the ECOWAS zone. The granger causality approach was applied on a panel of twelve (12) countries over the period of 17 years. There is a prevailing view that the weighted average tariff indicator was applied to capture trade liberalization, unlike the traditional trade ratio indicator. The study considers performances which extend to include key macroeconomic variables such as trade balance, employment and inward FDI. It was found out that trade liberalization policies measured by tariffs do not cause the economic performance of in the studied countries. This shows the disconnection between trade policies and real aspects of the domestic economies of these countries. He also found out that trade liberalization does not cause the employment in the countries of West African community and at 5% threshold and all other things being equal, the volume volume on inward FDI cannot be predicted from trade liberalization. What was missing in the study are the challenges confronted by government in the implementation of ECOWAS protocol on trade liberalization in enhancing economic development in Nigeria, which is one of the objectives of this study.

1.7 Theoretical Framework

Neo-Functionalism Theory

The study adopts the Neo Functionalist theory originated from the work of Ernst B Haas (1958). Haas who is the proponent of the neo functionalism theory, his initial work came out of a critical encounter with its precursor, the functionalism of David Mitrany. During its golden age from the 1960s to the mid-1970s, the theory underwent further substantial modification, largely as the result of efforts to apply it comparatively outside of Western Europe. This made its proponents increasingly aware of factors that made this region of the world so much more propitious for moving ahead with integration (Schmitter, 2002).

As suggested by Ernst B Haas, Neofunctionalism describes and explains the

process of regional integration with reference to how causal factors interact with one another. According to Ernst Haas integration was the process whereby political actors in several distinct national settings are persuaded to shift their loyalties and activities towards a new center whose institutions possess or demand jurisdiction over the pre-existing national states. It attempts to predict political outcomes; it appears to predict what it implicitly desires. According to Neo functionalism, certain functions are best performed at a level higher than the nation state. Supranational cooperation requires both a supranational authority and some kind of public allegiance to that level in order for that authority to be effectively exerted. Once one function has been allocated to a supranational body this unleashes certain pressures that create an impetus for more functions to be ceded to that level- spillover. Spillover takes a number of forms. There is a spillover of functions as the creation of one supranational function makes it more effective for another function to also be performed at the supranational level. As functions are delegated to the supranational level so political activity starts to locate that level creating a new political community with political allegiance for that level (Rosamond, B. 2000).

According to Haas postulation of Neo functional theory of international trade, "free trade is the best policy" and it leads to the optimization of ECOWAS's resources through Sub division of labour. Indeed, these authors long viewed international trade as engine of economic growth and hence as engine of mutual economic gain among countries.

Assessment of the impact of trade policy reforms on industrial growth in Nigeria requires an understanding of the notion of trade liberalization. The hypothesis on trade policy reforms includes several distinct concepts of "ECOWAS trade liberalization". It encompasses both openness and changes in trade orientation. Openness is an economy wide measure, whereas trade orientation is an industry specific measure (Pritchett (1996)). For developing countries like Nigeria, a more open regional trade system means greater opportunity to earn foreign exchange through exports since the availability of foreign exchange is imperative for the purchase of imported capital goods and raw materials necessary for rapid growth.

The function of trade policy reforms that have been adopted by the Nigerian government over the years include the partial abolition of import license scheme, granting of special tax incentives and tax holidays to enable local industries build up adequate funds for expansion and to encourage firms invest in economically disadvantaged areas, reduction of corporate income tax rate and introduction of tax-free dividends for foreign persons and to encourage local research and development. Other reforms include the promulgation of export incentives decree in which various incentives to enhance export promotion were stipulated, establishment of export credit guarantee and insurance scheme to assist Nigeria companies compete effectively in the international market, government grant of 140 percent tax relief to firms in respect of research and development of raw materials, export stimulation loan [ESL] scheme to provide for foreign producers that require imported inputs essential to the production of export products, opening of domiciliary account to keep firms' export earnings in foreign currencies, government institutional supports through the establishment of industrial development coordinating committee [IDCC], data bank, raw material research and development council [RMROC], project development agency [PRODA], federal institute of industrial research [FIIR], export processing zones [EPZs], Nigeria investment promotion council, simplification of industrial licensing, deregulation of the exchange market and devaluation of the naira.

In spite its limitation, the theory still finds relevance in this study which explain the creation of various institutions or agencies to undertake various functions of the community as contained in Article 6 of the 1975 Treaty is in line with the provisions of neo-functionalist theory. "This idea behind redesigning the Executive secretariat into a quasi-independent Commission (Revised Treaty, 1993) was to make ECOWAS a supra-national entity". The idea of spill-over as asserted by Haas can be seen in Article 12 of ECOWAS Treaty which states that: There should be progressively established in the course of traditional period of fifteen (15) years from the definitive entry into force of this Treaty, a Customs Union among the Member States. This implies that Treaty of ECOWAS is aimed at creating a Common Market amongst the people of West Africa.

Mwaba (2000). From results derived in the study, the author concluded that though openness of a country's economy may be a necessary step to enhancing growth, it is not

sufficient for achieving positive growth rate. Rather, friendly trade restriction and lower import and export tariffs would enhance a positive net international trade and economic growth.

The central plank in the theories of trade reviewed is that countries are not sufficiently endowed with all the resources needed for growth and development. Hence for a country to grow, trade is necessary in order to produce and sell commodities it can produce at a relatively cheaper cost or has strong technical capacity to produce and import goods it cannot produce at a cheaper cost nor has less technical ability to do so. In this process of trade, countries produced efficiently and earn higher income/growth. The theories reviewed above also provide the theoretical basis and evidence for a priori expectations for the selected variables as well

1.8 Methodology

The research design adopted in this study is case study research design. The use of case study research design, in this study, involves data collection and data analysis on past ECOWAS trade protocol and its effects on economic development of Nigeria with a view to understanding their previous and current efforts in trade policy reforms for better economic development in Nigeria, while at the same time making predictions for the future. The population of the study comprises staffs of the ECOWAS secretariat, Ministry of foreign affairs, Ministry of Industry, Trade and Investment, National Bureau of Statistics, Nigeria Export Promotion Council, National Association of Nigerian Traders, and Nigeria Custom Service. The targeted population of the study are constituted in Abuja because of their Headquarters that is situated in F.C.T. and quite accessible to the researcher. These organizations are selected because they are directly involved in the implementation and evaluation of ECOWAS trade liberalization protocol in Nigeria at policy-making and operational levels. The research made use of Ajay and Micah (2014) technique in selecting the size of the population studied. Whereas the total number of the population is two hundred and two (202), this formula recommends ten percent (10%) of the total population as the sample size for measurement.

Therefore, the target population of this study stood at twenty-two (22) respondents, the sample size representative of the targeted population in this study is fourteen (14) respondents was interviewed with in-depth knowledge and experience in the trade and ECOWAS trade liberalization carryout. This study adopted purposive sampling technique for the interview. The technique allowed the researcher to choose the sample on the basis of some predetermined characteristics such as deep knowledge of the issue under study, the method of data collection premised on Primary (interview) and secondary methods of data collection. The rationale behind this is that the use of one source of data won't be sufficient in providing all data required in the research. Data from in-depth interview were analysed base on the narrative of the interviewees using Braun and Clark (2006) step by step process of the thematic analysis. The data were transcribed, read and reviewed.

1.9 Data presentation and Interpretation of Results

The response rate to the research requests for interviews with various selected participants was fairly challenging. Within the Federal Ministry of Industry, trade and Investment the proposed number of participants was almost achieved, with the exception that more staffs were found willing and available to be interviewed than had been planned, while a fewer number of non-senior participated than originally proposed.

Table 1.1 below shows the summary of the actual participants against my proposed samples and the estimated populations in the categories of respondents. In total, fourteen interviews were conducted against the intended twenty-five.

Table 1.1: Proposed and Actual Interview Participants Respondents

Organization	Proposed Sample	Actual Responses
ECOWAS Secretariat	3	2
Ministry of Foreign Affairs (FMFA)	3	2
Ministry of Industry, trade and Investment Trade (FMITI)	5	4
National Bureau of Statistic (NBS)	3	1
Nigeria Export Promotion Council (NEPC)	3	1
National Association of Nigerian Traders (NANTS)	5	2
Nigeria Custom Service (NCS)	3	2
Total	**25**	**14**

Source: Field Work, April, (2024).

A total number of fourteen (14) respondents which accounted for 56% gave the researcher audience for the study that cut across staff and officials of the ECOWAS secretariat, Ministry of foreign affairs, Ministry of Industry, Trade and Investment, National Bureau of Statistics (NBS), Nigeria Export Promotion Council, National Association of Nigerian Traders, and Nigeria Custom Service (NCS) who have better knowledge on the subject matter in understanding the place of ECOWAS trade protocol and economic development in Nigeria using variables such as unemployment, government revenue, standard of living, imports tariffs, export tariffs, revenue, and trade diversion in Nigeria from 2015-2023. The study assigned a code to all participants; for example, P1 in ensuring there are shielded from all form of identification.

Research Question One: What are the strategies adopted by Nigeria government in the implementation of ECOWAS protocol on trade liberalization?

According to Bello (2017) the government in April, 2019, Nigeria started the implementation of the ECOWAS protocol on trade liberalization for a period of five years i.e. (2019-2023). The government introduced a fifth band Common External Tariffs (CET) at a rate of 35% on specific goods for the development of the economy. Adding to CET, some other national measures were taken such as Import Adjustment Tax (IAT) and Special Protective Tax (SPT) in order to allow them adjusts to the system of tariff. The IAT can be imposed where the duty of a nation is higher than the duty specified under the ECOWAS CET which can be applied for a period of three to four years. It is also designed through a smooth process to adjust to a lower tariff. On the other hand, SPT is applied where the volume of import of products coming into the customs territory of member state equals or exceeds 25% of the average import for the preceding 3 years of which data could be found.

However, Participant 5 response of the Federal Ministry of Trade and Investment (FMITI) in tandem with Bello analysis on government strategy, she explains that:

> *Over period the of time, Nigeria has adopted several trade protectionist policies and strategies, including the CBN's foreign exchange exclusion list, as part of its efforts to protect the local manufacturing sector and stimulate local production. However, these strategies have also had a somewhat regressive effect on economic growth with local production of a protected commodity leading to uncompetitive cost to consumers, resulting in overall erosion of living standards and reduced commodity demand. With trade liberalization across West Africa as one of the major objectives of ECOWAS and as the AU seeks increased cooperation and development within the region, Nigeria must seek to deploy strategies to boost local production and retain the competitiveness of these productions relative to other producing states in Africa (Interview with P5 on Wednesday 24th April, 2024)*

The government also maintains several supplemental levies and duties on selected imports that significantly raise effective tariff rates. For example, Nigeria has an effective duty tariff, levy, excise and value added tax (VAT) of 50% or more on over 80 tariff lines. These include about 35% tariff lines who's effective exceed the 70% limit set by ECOWAS. Most of these items are luxury goods such as motorboats, vehicle (75%), Alcohol (75-95%), tobacco products (95%). Also, there is high effective duty rate on imports into some strategic sectors to boost the competitiveness of the local industries. Such sectors are agriculture where wheat has rate of 85%, sugar (75%), rice (70%), Tomato paste (50%), Salt (70%) and cement (55%) (Nigeria country commercial guide 2019).

P6, P7 and P8 toll on same direction to suggest that product prioritization helps Nigeria narrow down its trade objectives to products of competitive advantage relative to regional and global market. Given its strong dependence and relative dominance of oil products, Nigeria's attention is geared towards the non-oil sectors where it can derive additional foreign exchange earnings. In addition, the economic structure of most ECOWAS states results in an export of primary products out of Africa and import of finished goods as such with respect to the ECOWAS, Nigeria expectation should be focused on products of gross value additions as it seeks to penetrate the African market and replace competition beyond the shores of Africa.

They went further to say: elimination of tariff lines on non-sensitive products was necessitated by the need for a clear product prioritization strategy by Nigeria. Based on our indicative assessment of several non-oil sector initiatives (particularly NEPC's Zero-oil Plan) and engagement with relevant stakeholders, product was selected categorization for the implementation of the Agreement (Interview with P6, P7 and P8 on Wednesday 24th April, 2024)

P10 of the Nigeria Export Promotion Council respondent by saying NEPC as part of government strategy conduct a detailed market analysis of identified products for sensitive and exclusive list to garner adequate details on key market dynamics, quality & standards requirements and key competitive landscape in importing countries Engage SMEDAN, MAN and NACCIMA (Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture) to analyze existing capacity of local producers of these products in Nigeria including key challenges and areas of development (Interview P10 on Tuesday 14th May, 2024)

Inye, (2007) argued that NEEDS (National Economic Empowerment and development Strategy) was the medium-term economic strategy covering the period 2003 – 2007 which has been described as Nigeria's plan for prosperity, the vision for a greater tomorrow. Within that perspective, NEEDS focuses on four key strategies: reorienting values, reducing poverty, creating wealth and generating employment. These key visionary goals are, in turn, built into three major macroeconomic frameworks, namely, empowering people, promoting private enterprise and appropriately reordering approaches to governance under NEEDS, the trade policy thrust is to drastically reduce the uncertainty and unpredictability of the trade policy regime; harmonize trade practices with those of other Economic Community of West African States (ECOWAS) countries and hence facilitate full integration; respect obligations under multilateral and

regional trading systems; and create a conducive and competitive environment in which Nigerian enterprises can thrive and effectively compete in the global and regional economy development.

Research Question Two: What are the challenges confronting the implementation ECOWAS protocol on trade liberalization in Nigeria?

P9 presented that ECOWAS countries have peculiar challenges in their development strategies, P9 mention that ECOWAS Trade Liberalization Scheme was designed to be the key tool, the implementation of collectively agreed regional integration agenda has been marked by inadequate political will in Nigeria. This explains why the ETLS that was first adopted in 1975, expected to be fully operational by 1990 but post phoned thrice and is yet to be fully implemented. Quite often, the political will of Nigeria leaders to promote regional integration is wrongly measured by decisions and agreements that they signed to at the regional and continental levels rather than by their commitment to implement such decisions and agreements at the national level. There has been poor domestication of agreements and decisions and a great disconnect between the adoption and implementation of programmes.

P9 in line with P2 also mention that effective implementation of the ECOWAS trade protocol; requires the elimination of tariffs on eligible products originating from ECOWAS member states. The adverse implication of tariff removal on government revenue has constituted a constraint to the transparent implementation of the scheme in Nigeria. Although the ECOWAS Scheme provides for the establishment of a Fund for compensation for the loss of revenue arising from trade liberalization, the mechanism has not been applied effectively to address the problem in Nigeria. The lack of implementation of direct taxation coupled with the absence or inefficiency of the mechanism for the collection of such taxes, especially in the large informal sector of the Nigeria economies, has led to Nigeria government relying heavily on indirect taxes, especially import duties, for government revenue.

However, participant 11 on identifying the challenges confronting the implementation of EOWAS protocol on trade liberalization in Nigeria, he explains that:

> *The gain in the implementation of the EOWAS protocol on trade liberalization to Nigeria economy was made manifest in the volume of human and goods traffic witnessed on the daily basis in spite of the official and artificial border restriction. P11 revealed that the challenges include stringent local content requirements, administrative procedures, and love for western product, administrative procedures, regulatory procedures and behavioral issues. For instance, statistics from the Nigeria Custom Services shows that at least one-third of all business in Nigeria between 2002 and 2020 were from ECOWAS Member States. Though no accurate statistic is available in respect of such movement since the borders are porous and a trip to border points from Lagos to Accra on more than three occasions by the principal researcher revealed that the volume of smuggling through unofficial channels were more than the official channels (interview with P11 on Thursday 6th June, 2024).*

Despite the recurring challenges confronting the implementation of the ECOWAS common external tariff in Nigeria, Ojo, O. (2019) argued that ECOWAS was founded on very sound footings with clearly stated objectives that would position it for optimal benefits from trade liberalization. the phenomenon of low intra-trade among ECOWAS countries have shown that the major contributing factor to the economy of Nigeria is low intra-trade and internalization of businesses within the sub-region is largely policy-induced, particularly concerning non-tariff barriers which are obstacles that restrict the import or export of goods through means other than tariffs. Ojo has identified a number of non-tariff barriers to trade. These barriers include import licensing, pre-shipment inspections, and rules of origin, customs delayers, and other mechanisms that block or restrict trade. Thus, the impact of tariffs (taxes imposed on imports from foreign countries) on the poor Nigeria economic development is very minimal because most exports of ECOWAS origin to other West African countries are being granted preferential tariff rates.

Discussion of Findings

i. The research indicates that, the strategies Nigeria government employed in the implementation of EOWAS protocol on trade liberalization to improve the Nigeria Economic has not been effective. Due to stringent regulations put in place by the SMADEN become barriers, as businesses may resort to bribery to circumvent those restrictive restrictions. Thus, though the intention for formulating these regulations by the government was meant for economic development of Nigeria, but seems they may tend to become a barrier to trade if they are too strict. This result is also consistent with past studies (Deng & Zhang, 2018; Mbekeani, 2013). For instance, Deng and Zhang (2018) assert that the expected government strategy from trade agreements on the ECOWAS sub-region will be offset by stringent rules and regulations on trade, particularly with regard to rules of origin.

ii. The study revealed that the challenges confronted by the Nigeria government in the implementation of EOWAS protocol on trade liberalization in Nigeria include stringent local content requirements love for western product as revealed, lack of interest and love for products of ECOWAS origin as one of the critical non-tariff barriers or factors impeding indigenous business involvement and success in intra-trade within the sub-region. The lack of interest in local products or products of ECOWAS origin is a significant problem. This finding is in tandem with past studies (e.g., Boso et al., 2019; Florent et al., 2014; Okechuku & Onyemah, 1999) that most Africans prefer foreign products, especially products from their colonial masters, as those products are mostly perceived as having superior quality and value. For instance, Okechuku and Onyemah (1999) found that the Nigerian consumers' obsession with foreign-made goods and negative image of locally made products has had a detrimental effect on the development economic of Nigeria.

Conclusion

This study has attempted an evaluation of the implementation of EOWAS protocol on trade liberalization on Nigeria economic despite the concerted efforts by the ECOWAS community to liberalize trade by abolishing of customs duties levied on imports and exports and the elimination of non-tariff barriers among member states for the establishment of a free trade area at the community level it is obvious that in spite the number of problems facing the body, the prospects of its success is much higher than that of its setbacks in Nigeria and the changing world of the global economy. In the light of the above submission therefore, ECOWAS as an integrative model in Nigeria will achieve its potentials if all concern work with patriotism and sincere commitment of the protocol is well implemented. It will be appropriate to conclude that, given the current ailing economic situation in Nigeria, trade liberalization is a veritable policy tool through which the indigenous industry can grow and perhaps will also lead to the development of the Nigeria economy as a whole.

Recommendations

i. ECOWAS commission strategy such as regular on the implementation of commission trade policy should be encourage among members states custom officers. Regarding lengthy administrative custom procedures that usually require completing many long documents, the study recommends using technological measures to simplify the documentation aspect. These documents should be available online for downloads by traders and complete independently, which could be verified and approved by custom officers at the border post. Automation of the procedures could help to simplify the procedures.

ii. ECOWAS commission seeking to enjoy full implementation of the EOWAS protocol on trade liberalization to the advantage of the Nigeria economy, should promulgate laws that give recognition to ECOWAS members traders on the origin of goods and all member-states should realize that effective implantation of common external tariff can provide a valuable stimulus to investment, enhance integrative and co-operative measures, and generally assist in the development of other measures for the expansion of production translating to economic development. Domestic laws should be enacted recognizing the commission origin of goods in full.

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