Archives of Business Research – Vol. 9, No.2
Publication Date: February 25, 2021
DOI: 10.14738/abr.92.9176.
Odo, C. O., Ozoemenam, K. N., & Edeh, K. N., (2021). International Trade, Globalization and Nigerian Economy . Archives of Business Research

International Trade, Globalization and Nigerian Economy

Dr. Cosmas Ogobuchi Odo
Department of Marketing
Enugu State University of Science and Technology, Enugu

Dr. Kenneth N. Ozoemenam
Social Policy Specialist
UNICEF, Enugu, Nigeria

Dr Kingsley N. Edeh
Faculty of Law
Enugu State University of Science & Technology,
Enugu, Nigeria.

ABSTRACT

Protagonists of free trade such as the World Bank and IMF are loud in proclaiming the virtues of international trade and globalization. They are quick to point out that granting free rein to these concepts would not only lead to optimal resource allocation but also engender growth in global economy. This paper sought to probe the veracity of these claims in the context of a developing economy like Nigeria. The paper first clears up conceptual issues involved and later cast the operations of these phenomena within the Nigerian economic setting. It was found that whereas industrial countries, in joint operation with their multinational corporations, may have benefited immensely from the opportunities created by international trade and globalization, developing countries, characterized by weak technological base and unfavourable macro-economic factors, have hitherto benefitted minimally, but her losses far outweigh her gains such that she could rightly be characterized as a net loser in the competition. It therefore argues that countries like Nigeria should protect their domestic markets from the negative impact of foreign trade and globalization. It however recommends that Nigeria should adopt a selective technological transfer that fits into her domestic need for economic diversification via private sector-led initiatives.

Key terms: *Globalization, International Trade, trade openness, competition, global consciousness.*

INTRODUCTION

Theory suggests that international trade and globalization espouse economic growth and enhanced living standard of global citizens given favourable institutional structures (Lawal, 1982:247-248; Ianchovichina and Martin, 2004; Obadan, 1993; Williamson, 1997). But then the query must be posed as to whether country-specific evidence supports this theoretical

postulation? Though opinions vary on this, judgment one way or another are essentially empirical considerations. For now, common sense conjecture may be inclined to believe that just as nations of the world differ when evaluated on several parameters, so must the expected impacts of these concepts vary in different economies. Hence, current economic and socio-political thoughts in Nigeria suggest a need to study these phenomena with a view to unveiling their impacts on the economy. The approach of the paper is essentially historical. It first explains the concepts, taken in order, and later probed the issue of whether these have morphed into a twin evil or otherwise? A literature excursion was undertaken next to see whether there exists any evidence as to the effect of international trade and globalization on Nigerian economy. Conclusion was drawn and policy actions suggested.

International Trade: Historical Antecedents.

The economic doctrine that prevailed in the 17th and 18th centuries was mercantilism (Lawal, 1982:247-248). It was a doctrine that saw a virtue in being nationalistic and viewed the well-being of the nation as of prime importance. It favoured the regulation and planning of economic activities as a better way of promoting the goals of the nation while viewing foreign trade with suspicion (Ibid). It was held that the most important way of acquiring wealth was through the accumulation of precious metals such as gold. Nations took care to restrict the outflow of their gold through exchange of other commodities by restricting foreign trade; export was nonetheless considered beneficial in so far as that encouraged inflow of gold. Therefore trade had to be restricted and there was no particular virtue in increasing volume of trade. Viewed against the backdrop of the immense value of international trade, it is little wonder that Adam Smith and Ricardo countered this doctrine with their path-breaking contributions in economic thought. Adam Smith saw the unparalleled benefits that could accrue to a nation through engagement in international trade. He advocated the non-interference in international trade. As sound as Adam's reasoning was, it was considered not deep enough; hence Recardo and others took it from there and explored and advanced more convincing argument in favour of international trade. Ricardo's argument is anchored on the principle of **comparative advantage** or **comparative cost** (Lawal, 1982:247-248). Simply stated the principle says that it pays more if parties in an exchange concentrate in the line of trade or business where each enjoys a comparative advantage over his fellow. By the same token, each nation of the world is encouraged to devote its resources in the production of goods and services in which it has comparative advantage while depending on other nations for the supply of other goods and services in which it has the least comparative advantage. It is therefore argued that if each nation obeys this rule the global economy will be the net beneficiary. Differences in terms of factor endowment, climatic and geological stock and skill level differentials are among the strongest arguments for international trade. Again, the theory of international trade is a special case of the theory of specialization by individuals and regions. Today, there hardly exists autarchic economy anywhere in the world. What is more common instead is the interdependence of nations and global co-operation for socio-economic and cultural exchanges. The closing days of the last century witnessed phenomenal developments of global dimension. Chief among them is the event, **globalization**. Debate rages on as to whether the nations of the world have fared better or worse since the emergence of globalization. The common thought popular among the advanced economies, represented by the World Bank and allied institutions, is that it has improved global economy. However, the least developed countries think differently. They are of the view that the phenomenon has created instant **gainers** and **losers** with the developing countries belonging to the latter (Kimatu, 2012). In the next

paragraph, globalization is introduced and explained. The nature of its impact is equally explored with particular reference to developing economies which Nigeria typifies.

THEORIES OF GLOBALIZATION AND GROWING INTERCONNECTEDNESS.

The thesis of globalization rests on the idea that the nation-state is becoming irrelevant to the actual flows of political, economic and cultural activity and to the formation of political identities (Axford et al, 1997 :491-495). In fact, peering through the veil of time, like a literary prophet, Rees-Moggg (1995) had argued that in 2025 great many changes would have taken place, largely because of the impact of information and communication technologies upon many areas of life. These technologies drive globalization. Globalization as a concept suffers from one defect namely, the non-availability of a single definition that captures its multi-dimensional aspects. There therefore exists a plethora of definitions. For instance, there is this idea of globalization given as the multiplicity of linkages and interconnections that transcend the nation-state, McGrew, 1995 in Axford et al (1995:491-495). This definition, it is argued, affirms the growing volume of goods, services, capital and people flowing across national boundaries. The point here is that the event has redefined the way things are done generally. It affects both individuals and businesses. The new concept of global consciousness has emerged to re-echo this fact. Business operators are often advised to **think globally** and **manage locally**. This translates to mean that they should be aware of the global forces acting on them, and as such should look at the world as a potential operating whole, adapting their strategies and company cultures accordingly. This is one sense of the phrase **global consciousness**. What to conclude from the views expressed above are two. One, is that globalization is a process, not a given, made through interaction of various actors namely, individuals, localities, groups, organizations etc. Two, is that the world is undergoing a process of growing interconnectedness, so that it is becoming irrelevant to talk about separate national economies or national companies, but it is necessary to talk about national and local identities (Axford 1997 et al, :491-495). Furthermore, a more functional definition globalization exists. It could be rendered simply as the triumph of technology. However, Tandom (1997) was more poignant when he described globalization as the final conquest of the world by capital. In this third definition, three issues emerge, namely, the reality of an on-going economic battle between developed and developing societies; the emergence of two possible outcomes, the conqueror and the conquered or better still, gainers and losers; the instrumentation of capital as the weapon of warfare. Hence, a society with great abundance of capital lords it over the less equipped; Aside from the above issues, globalization everywhere connotes the following: a world order characterized by free movement of capital funds, people, goods and services across international boundaries; the diminution of spatial and temporal differences between different points on the globe, achieved mostly through the powerful effect of information technology; the emergence of virtual global village(every country is a part of a world community); the increased meshing together or integration of world economies such that events in one country have implications for others and lastly, the explosion of information.

Following from the above, it is discernible that globalization is capitalism in operation. Meanwhile, Marxist's theory of history casts capitalism as a system based upon the uneven development of colonial and metropolitan powers and on the systematic impoverishment of the third world (Axford et al, 1997: 491-495). Axford et al, (1997 :491-495) argues that in current world order, military imperialism has been replaced by forms of neo-imperialism carried on through the imbalance of trade between the First and the Third World and the power of

transnational corporations with their roots in the First World to dictate the terms of world trade and investment. The First World is thus held as villain of underdevelopment of third world economies whereby the latter supplies mainly raw materials and labour to the core economies but the former produce and supply most high-value goods to the third world consumers, thus draining off capital which might otherwise be used to fund domestic investment and industrial modernization(Rodney, 1972:208). Clearly, globalization generates such intense competitive pressures that could easily whittle down the value of local industries in developing economies. Kotler and Armstrong (2005:589) gave a poignant hint to the effects of the said competitive pressure along these lines,

> *"But today global competition is intensifying. Foreign firms are expanding aggressively into new international markets, and home markets are no longer as rich in opportunity. Few industries are now safe from foreign competition. ...domestic companies that never thought about foreign competitors suddenly find these competitors in their own backyard".*

And it should be pointed out that the said competition takes place within context of weak technical and unfriendly macro-economic environments in the developing countries (Adediran, et al, 2015). The implication of this, for trade related purposes, is succinctly captured by Aluko et al (2004) when they averred that the products of Nigerian manufacturing sector, for instance, cannot compete with goods from advanced countries of the world most especially Europe and America. This is so because the combined effect of the hostile operating environment tended to make domestic products more expensive and inferior compared to the imported substitutes. It does not therefore require a clairvoyant to predict who the gainers and losers of the contest are. In Nigeria, different sectors of the economy reflect the ugly dimensions of the outcomes of the competition. The paper looks into this later.

INTERNATIONAL TRADE, GLOBALIZATION AND THE ECONOMY: REFLECTIONS ON THE THEORETICAL AND EMPIRICAL EVIDENCES.

Trade involves the exchange of goods and services. The exchange could take place within the confines of a local economy- domestic trade or it might take place between one country and another country- international trade (Ogwumike et al 2010:384). For a start, it needs to be pointed out that there is no consensus of opinion yet on whether greater openness to trade triggers economic growth or not. However, what the theory of comparative advantage suggests is that countries that wish to trade with one another should concentrate on the production of items each enjoys better factor endowment and economy of scale. And that when each country concentrates on the line of trade where it has comparative advantage, the global economic system not only achieves operational efficiency in resource allocation function but engenders tremendous increases in volume of global outputs. The increased world outputs are thus made available via international trade to global citizens everywhere, so the argument goes. This is why tremendous research efforts have been made to investigate the nexus between trade and economic growth. These efforts, over time, have yielded a body of literature that aligns with the emphasis on the trade-led growth theory or hypothesis and others not in sympathy with it. The protagonists of openness to international trade posit that trade openness has influences on economic growth. The theory speculates that in the long haul, international trade can potentially enhance economic growth by offering access to goods and services, enthronement of efficiency in resource allocation and improvement of overall factor productivity via technology and

knowledge transfer and dissemination, Barro and Sola-I-Martin, 1997; Rivera-Batiz and Roma, 1991 in Keho,(2017). From this perspective therefore it is speculated that countries that espouse more openness are expected to outpace countries that are minimally open to trade or openness-shy. On this premise, it is argued that developing countries have much to gain by engaging in international trade with advanced economies. This is why international bodies especially, the World Bank and IMF and donor governments routinely urge developing countries to embrace trade liberalization policies with a view to having their economies open up and integrate into the global market (Keho, 2017). The evidence furnished by the success story of the Asian Tigers easily provides the strongest support for this line of argument. It was claimed that their economic growth experience was closely linked to trade openness (Stiglitz, 1996; World Bank, 1993). Hence most African countries were led or is it misled to embrace economic reforms, codenamed, Structural Adjustment Programmes, (SAP), in the late 70's and up till the 1990s. The reforms implemented produced some mixed results (Gautam, 2014). It needs to be placed on record here that the reforms normally come as a package deal when these developing countries (when they search for solutions to their ailing economies) seek to borrow loans from the Britton Wood institutions. Trade liberalization reforms involving the reduction of import and export tariffs and non-tariff barriers were usually inserted as a condition precedent to loan grants (Keho, 2017). It is the ghastly failure of these reforms in most of the countries that implemented them that has led some to wonder if SAP were deliberately designed by Britton Wood institutions in the first place to strangulate the developing countries with bloated and never ending debt payment burden. Aluko et al (2004) shared the same sentiment when they averred that these agents of globalization project (World Bank, IMF and their allied institutions) have proven to be agents of underdevelopment. This pattern of reasoning is anchored on the premise that one can hardly point to any country with success story after implementing IMF- engineered reforms. Nigeria implemented SAP in 1986. Whether she has benefited from the reforms remains a moot point.

There exist a number of empirical evidences that highlight the impact of trade openness on developing economies generally while some of them dwell exclusively on aspects the Nigerian economy. Keho (2017) reports that studies carried by Bahmani-Oskooee and Niroomand (1999); Frankel and Romer (1999); Karras(2003); Yanikkaya (2003); Dollar And Kraay (2004); Wang et al (2004); Freund and Bolaky (2008); Das and Paul (2011); Marelli and Signorelli (2011); Nowbutsing (2014) and Zarra-Nezhad (2014) are supportive of a positive impact of trade on economic growth. Vamvakidis (2002) and Ulasan (2015) however failed to establish any such positive link between economic growth and trade. Rigobon and Rodrik (2005) and Fenira(2015) conclude that there exist a weak relationship between trade and economic growth on one hand and significant negative relationship between trade openness and economic growth on the other hand. Kim and Lin 2009 in Keho (2017) applied the instrument-variable threshold to 61 countries. They were able to find an income threshold level beyond which greater trade stimulates economic growth and below which trade triggers opposite results. In yet another study but on an inter-continent scale, Tsangarides (2010) in Keho (2017) investigated the trade-growth prospects for 75 developing countries. The results of the investigation revealed that the impact of trade openness to economic growth was higher for low income countries than for high-growth countries. The countries captured in the study covered all the continents but majority of them are from Africa, including, Benin, Cote d 'Ivoire, Madagascar and Zambia and Latin America. Yet another study looked at whether trade-income relationship varies with the level of economic development using instrument variable threshold regression model, Kim et al 2011 in Keho (

(2017). The results indicate that trade openness has positive impact on financial development, capital accumulation and economic development in high-income countries but produces counter effects in low-income countries. What is known therefore is that the real impact of trade on the economy largely depends on the level of financial development and inflation (Keho, 2017). And as expected, it was found that openness to trade leads to negative effect on growth in countries with low financial development but curiously this has insignificant impacts in countries with high financial development. The sum, in this connection, i.e. trade-growth and state of financial development nexus, is that trade enhances economic growth only when a country achieves a certain stock market development threshold (Keho, 2017). However, Were (2015) demonstrated that trade exerts a positive and significant effects on economic growth rate in both the developed and developing countries. The effect however was found not to be significant for least developed countries, to which African countries belong.

Evidences in Sub-Saharan African countries throw up conflicting results. The empirical results could be grouped conveniently into two categories, namely, those that support trade-growth hypothesis and those that negate it. For instance, Deme, 2002 in Keho(2017) supports the trade-led growth hypothesis for Nigeria. And as if to contradict Deme's findings, Gries et al (2009) investigated 16 Sub-Saharan African countries and failed to find any significant long-run links among the sample variables. In yet another inquiry involving a new set of countries, namely, Ethiopia, Gabon, Kenya, Mauratius, Senegal, Sierra Leone, and Togo, Gries and others were able to provide evidence that supports the view that economic growth causes trade openness on one hand while demonstrating that trade openness causes economic growth for countries of Cameroon, Cote d'voire, Nigeria and Rwanda on the other hand. Vlastou (2010), in Keho (2017) did a research work involving 34 African countries. He came to the conclusion that trade openness has a negative impact on economic growth. Menyah, et al 2014 in Keho (2017) looked at the causal link among financial development, trade openness and economic growth for 21 Sub-Saharan African countries. It was discovered that trade-led growth theory was proven for countries of South Africa, Sierra Leone and Benin while others enjoyed limited support.

Before migrating to globalization and its effect on Nigerian economy, it is germane to cite the work done by the quartet, Lawal, Nwanji, Asaleye, and Ahmed, in 2016, as was reported by Keho(2017). They applied Autoregressive Distributed Lag (ARDL) models to Nigeria. A negative long-run impact of trade openness on economic growth was found with a positive growth effect on a short-run.

As could be inferred from the foregoing accounts, most of the empirical evidences reviewed could almost easily compel one to conclude that trade openness invariably leads to economic growth in most cases. However, policy makers need to apply caution in coming to any hasty conclusion. As we are aware, averages do not render full and unaudited accounts of facts of situations. It may therefore be necessary sometimes to peel through the veil of statistics to unmask facts that are hidden within its folds as there are, quite often, human faces behind statistics whose personal testimonies may belie the claims and glossy pictures of statistics! This leads us naturally to the consideration of the other side of trade openness – globalization. To proceed, it may further our cause to claim that globalization is the facilitator-in-chief of trade openness. We, therefore, propose the question: what facts could there be to point to how much the phenomenon has

advanced Nigerian economy or proven to be its undoing since it emerged on the global scene? This query gives an outline of the issues that engage the mind in the following paragraphs.

The issue of the impact of globalization on African economies has been a subject of many debates. In consequence, there have accumulated to our aid and delight, an array of impressive empirical works that interrogate the concept and show how it has affected some sectors of the African economy. Bagachwa et al, 1995 and UNIDO, 1996 in Aynagbo et al (2012), for instance, claimed that trade liberalization has exacerbated the problems of domestic industries. They reported that inexpensive commodities from technically advanced developing countries, particularly South-East Asia have invaded the African markets. They further argued that where liberalization has fostered trade and created space for private sector and informal sector players, the field had been chiefly dominated by ethnic minorities, such as Asians in East Africa and Whites in South Africa or are all together taken over by their transnational corporations or their subsidiaries, whose interest is purely pecuniary and not the development of host local economies (Aynagbo et al, 2012). In fact they often encourage capital flights away from host economies back to their countries of origin. Furthermore, the trade associations of Ghana, Nigeria and Zambia reported dumping and unfair competitions by these countries (Aynagbo, et al 2012). It was further claimed that the excessive competitive pressures mounted by these firms have led to the closure of some local firms notably, soap, footwear and textiles firms (Aynagbo, et al 2012). The textile industry in Nigeria provides a worst case scenario of the ugly side of globalization in an economy. For instance, the textile industry was held to contribute 48% of GDP between 1972 and 1982 (Eke, 2007). This industry that once accounted for 37% labour force has become moribund with 99% mills closed down (Eke, 2007). The account above largely agrees with the submissions of Maiwala and Renne (2013). The duo traced the chequered history of the textile industry in Nigeria. According to them the first textile business in Nigeria was jointly owned by Northern Nigeria officials and British textile firm, David Whitehead and sons; they built the first biggest textile in Nigeria, Kaduna Textile Ltd (KTL), which took off in 1957. This opened the floodgate for others in the following decades such as the Arewa Textile, United Nigeria Textile Ltd (UNTL) and Norilex, among others. Growth in the sector continued unchecked up to 1970s and through the oil boom years. According to them, by 2007, all three mills had ceased to exist.

The decline in fortune was created by both internal and external factors. Internal factors included frequent changes in political leaderships leading to shift in industrial policy and failure to maintain power infrastructure (Maiwala and Renne, 2013). The external factor was traceable to the implementation of Structural Adjustment Programme (SAP) in 1986. SAP deregulated the currency and made imports of textile industry's spare parts and modern weaving equipment prohibitively expensive. Furthermore, changes in internal textile trade Agreements and liberalization of Nigeria-Chinese trade offer of 2010 undermined efforts to revitalize the local textile industry (Maiwala and Renne, 2013). And again, the fact that Nigeria is a signatory to the liberalization policy of WTO led to the flooding of the local market with textile products from China, India, Indonesia, Australia, and Holland with more competitive brands (Ibid). The development has driven out local investors. And as at 2018, the textile import bill in Nigeria stood at 9.7M US dollars (Anyanwu, 2020). Today the textile industry is comatose with the attendant job losses and no thanks to globalization!

These unintended outcomes happen mainly because the neoliberal agenda leaves little room for selective protection of domestic markets, especially by politically weak developing countries like Nigeria. This belies the hypocrisy of the most protagonists of globalization who built their economies behind high tariff walls. This point agrees largely with the view expressed by Kuttner, 2008, in Polivka and Luo (2013) to the effect that most of today's dominant economies, including the United States of America, deployed selective trade policies to protect nascent industries and give them the time and financial resources needed to become competitive in the international economy. He therefore contended that developing country governments should also be permitted, and in fact encouraged, to use trade protection on selective, negotiated basis to strengthen their domestic industries, including agriculture. Again, Ayagi (1990) paints a more palpable, gloomier optic account of the real damage which globalization has inflicted on the economy. According to him, globalization has 'created parasitic economic relationships and has systematically pushed Nigeria into economic crises. This dependency culture created and entrenched, has thus made Nigeria a country, which does not produce but only consumes; so Nigeria imported everything and anything that anybody cared to advertise'.

Even tooth picks! A visit to any of the shopping malls at the city centres in Nigeria will do as an eye-opener to the myriads of products of foreign origin that have taken over the markets. Aside from the manufacturing sector, globalization has its impact on other sectors including the banking and finance industry. The deregulation of the financial system creates an avenue for funds to enter the local economy. As Olowole (2014) has pointed out, globalization of the stock market, for instance, increases listings, raising of equity and debt capital and trading in domestic capital markets. This increases capital and fund flows across international borders, and thus creates access to funds needed for economic growth and development which otherwise could not have materialized. Nwakanma and Ibe(2014) examined the causal relationship between globalization and economic growth in Nigeria from 1981 to 2012. The results show a positive and significant relationship between financial integration, human resource development and trade openness. But these funds do not just move; funds owners exercise scrutiny of the status of funds' destination. In fact, Nwankwo (2020) clearly pointed out that funds are selfish; they go to where they are safe. The unstable macroeconomic environment, the perfidious judicial system, the corrupt political class, insurgency and herdsmen challenges complicate the Nigerian investment environment much to the distaste of even the most optimistic investor. This may not have encouraged funds' flow into Nigeria as expected. Aside from this, Nigeria also stands to benefit from globalization through Foreign Direct Investments, FDI. And as Onyimba et al (2019) have argued, when fund flows come in the form of FDI, they often improve access to international best practices, in terms of managerial skill upgrade, marketing and technical know-how, skill acquisition and institutional deepening. These are intangible benefits that accrue to domestic recipient economies. In this regard, it is noteworthy to mention of the entry into Nigerian market space of some insurance and banking firms of foreign origin. Their presence, in Nigeria, no doubt has in some measure helped to address the unemployment challenge in the economy besides their core intermediation role. This window was created by reform that allows financial firms of foreign origin to enter Nigeria.

Just as Aluko et al (2004) rightly posit, globalization involves widening and intensification of links between economies of the industrial and developing countries through trade, finance, investment, technology and migration. It is well to recall that globalization allows for human

mobility across international frontiers. Labour mobility generates its own benefits for individuals and local economies. One way to assess the said benefit is to look at Diaspora Funds remittances. Only recently, the Nigerian Government officially accorded a formal recognition to the enormous potential that lay with diaspora residents. This was achieved through the formation Nigerian In Diaspora Commission (NIDO)(Oyebola, 2020). Nigerians in Diaspora are seen as agents of economic development achievable through skill and funds' transfer. It is estimated that about 15 million Nigerians are in the Diaspora (Oyebola, 2020). And a good number of these figure are qualified professionals, which ply their trades in Europe, America, and other parts of the world. This set of Nigerians have shown interest in the country's welfare which is reflected in home remittances and other humanitarian services. It is claimed that for the past three years, Nigerians in Diaspora have brought in over 25b US dollars, yearly as home remittances through official and non-official channels (Oyebola, 2020). On balance, it seems that Kimatu (2012) has argued well when he quipped that globalization is associated with risks and costs, and may have adverse implications for international economic stability, notwithstanding its own potential benefits. And for a developing nation like Nigeria, the risks and costs associated with globalization seem to outweigh its potential benefits. This may have emerged because of the poorly managed macro-economic and weak technological environments that ill-predispose her in the face severe global completion. This understanding should guide our policy choices as the nation seeks her sense of mission in dealing with the debate generated by international trade and globalization.

SUMMARY AND CONCLUSIONS.

The paper has examined the concepts of international trade and globalization in relation to Nigerian economic wellbeing. Literature accounts showed various prospects which the stubborn and ubiquitous guests can bequeath an economy if certain minimum macroeconomic and technological factors are guaranteed. The economy enjoys exclusive deficits in most of the major factors. A fair categorization of the country would be an economic space characterized and burdened with conditions of unstable macroeconomic management, infrastructural deficits, weak technical base, inefficient financial system, corrupt and untoward political class, abysmal industrial capacity utilization, and epileptic and inefficient power supply. Add to the mix, increasing security risks from insurgency, Boko Haram, herders-farmers' conflict and armed banditry and you have a dire investment environment that not only stunt growth but erodes the confidence of even an incurable optimistic-investor. The fact that her economy is almost exclusively propped on a mono-product, oil crude, whose price is externally determined, puts Nigeria in an uncomfortable position in the face of fierce competitive struggle created by international trade and globalization. The industrial West with the advantage of advanced technology and well diversified economy gets a head start over Africa in the contest.

The paper concludes that although Nigeria may have benefitted from the opportunities created by international trade and globalization in the form of Direct Foreign Investments (FDIs), via portfolio investments, establishment of foreign banks and insurance firms and Diaspora Funds' Remittances, the country may have paid so dearly in the form of retrenchment of workers in companies bleeding from under capacity utilization, deficient consumer demand, unemployment occasioned by firms that have had to fold up because consumers now prefer cheaper and better brands offered by foreign firms operating in our backyard. Given the scenario above, it is suicidal for Nigeria not to protect her domestic market while taking time to rejig her economic policy

strategy that encourages diversification of her economic base through private sector-led initiatives for now and in the near future.

References.

Adediran, O. A., Adeyemo, K. S. and Alalade, S. (2015) Globalization, Capital Market and Economic Development in Nigeria, Journal of Governance and Regulation, 4(1):57-62.

Aluko, M. A. O., Akilola, G. O. And Fatokun, S. (2004) Globalization and the Manufacturing Sector: A Study of the Selected Textile Firms in Nigeria. Journal of Social Science 9(2):119-130.

Aron, J. and Elbadawi, I. (1994) A Typology of Foreign Exchange Markets in Sub-Saharan African World Bank Policy Research Working Paper, (1395).

Anyanwu, C. (2020) Bt Cotton Critical to Revival of Textile Industry, Job Creation-Experts Daily Sun 17 (4524):22.

Axford, B., Browning, G. K., Huggins, R., Rosamond, B., Turner, J. and Grant, A. (1997) Politics: An Introduction London: Routlege.

College of Estate Management (n.d.) "Specializations, Location and Trade"Economics (Study Papers), University of Reading, Whiteknights, Reading RD6, 2AW.

Eke, E.(2007) Death of Textile Sector : High Cost to the Economy The Guardian 25(10565): 28-29.

Gries, T., Kraft, M. and Meierrieks, D. (2009) Linkages Between Financial Deepening, Trade Openness, and Economic Development : Causality Evidence From Sub-Saharan Africa, World Development, 37: 1849-1860.

Hanson, J. L. (1972) International Trade, A Text Book of Economics London: The English Language Book Society and MacDonald and Evans Ltd.

Ianchovichina, E. and Martin, W. (2004) Impacts of China's Accession to the World Trade Organisation The World Bank Economic Review 18(1): 1-27.

Keno, Y. (2017) The Impact Of Trade Openness On Economic Growth: The Case Of Cote D'voire Cogent Economics and Finance 5(1332820):1-14.

Kim, D. H, Lin, S. C. and Suen, Y. B. (2012). The Simultaneous Evolution of Economi Growth, Financial Development And Trade Openness. The Journal of International Trade And Economic Development, 21: 513-537.

Kotler, P. and Armstrong, G. (2005) Principles of Marketing 11ed New Jersey: Pearson Prentice Hall.

Lawal, O. A. (1982) A Level Economics of West Africa Ibadan: Heinemann Educational Books (Nig) Ltd.

Lawal, A. I., Nwanji, T. I., Asaleye, A., And Ahmed, V. (2015) Economic Growth, Financial Development and Trade Openness in Nigeria : An Application of the ARDL Bound Testing Approach. Cogent Economics and Finance, 4, 1-15.

Maiwala, S. and Renne, E. (2013) The Journal of Textile History 44(2): 176-196 Marion, N. P.(1994) Dual Exchange Rate, in Europe and Latin America The World Bank Economic Review? : 213-245.

Nwakanma, P. C. and Ibe R. C. (2014) Globalization and Economic Growth: An Econometric Dimension, Drawing Evidence from Nigeria. International Review of Management and Business Research, 3(2): 771-778.

Nwankwo, S. (2020) COVID-19 Pandemic : Sustainability Of Livelihoods and Businesses In Developing Economies (Professor Sunny Nwankwo's Conversation at The Recent Colloquium Hosted by Unizik Businness School).

Obadan, M. I. (1993) Overview of Nigeria's Exchange Rate Policy Management since the Structural Adjustment Programme CBN Economic and Financial Review 31(4): 367-382.

Ogwumike, F.O., Ekpenyong, D. and Alo, M.O. (2010) Macmillan Senior Secondary Economics, One Volume Ibadan: Macmillan Nig. Publishers Ltd.

Onyimba, R., C., Nwokediuko, J. N., and Ewa, B. E. (2019) Effect of Globalization on Growth and Development of Nigerian Capital Market. International Academy Journal of Management, Marketing and Entrepreneurial Studies. 7(2): 21-32.

Oyebola, K. (2020) Mobilizing Diaspora Nigerians for National Development The Guardian, 37 (15214): 10-11.

Polivka, L. and Luo, B. (2013) The Future of Retirement Security Around the Globe Journal of the American Society on Aging, 37(1/41): 40-45

Rassekh, F.(2007) Is International Trade more Beneficial to Lower Income Economies? An Empirical Inquiry. Review of Development Economics, 11, 159-169.

Rigobon, R. and Rodrick, D.(2005) Rule of Law, Democracy, Openness and Income: Estimating the Relationships.The Economics of Transition, 13, 533-564.

Rees-Mogg, William, (1995) Cyber-Economy The Times, Aug.31.

Rodney, Walter (1972) How Europe Underdeveloped Africa 2009 ed, Abuja: Panaf Publishing, Inc.

Stiglitz, J. E. (1996) Some Lessons From The Asian Miracle. The World Bank Observer 11:151- 177.

Ulasan, B.(2015) Trade Openness and Economic Growth: Panel Evidence. Applied Economics Letters, 22:163-167.

Were, M. (2015) Different Effects of Trade on Economic Growth and Investment: A Cross-Country Empirical Investigation, Journal of African Trade 2: 71-85.

Williamson, J. G. (1997) Globalisation and Inequality, Past and Present" The World Bank Research Observer 12(No. 2): 117-135.

World Bank (1993) The East Asian Mirale : Economic Growth And Public Policy. New York, Ny :Oxford University Press.