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Review Article

The Myths and Realities of International Trade in the Age of Globalization: A Critical Assessment of Nigeria

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Abstract: International trade plays a very important role in the formation of economic and social attributes of countries around the world. International trade is the exchange of goods and services across national borders. In most countries, it represents a significant part of Gross Domestic Products (GDP). International trade has been in existence for quite a while, its economic, social and political importance have increased in recent centuries, mainly because of industrialization, advanced transportation, globalization and multinational corporations. Today, international trade has been and is today an economic force that has spurred commerce, promoted technology and growth, spread cultural patterns, stimulates exploration and brings prospect for world peace and international relationship even though some nations benefit more. African countries still lag behind because over the years, Africa and indeed Nigeria have not developed technologies that would add value to their predominantly primary commodities which they export to the world market. Technological changes has made primary commodities almost less important in the industrialized countries as they can now be produced in their laboratories which will make the exportation of some of these commodities unnecessary. Even the newly industrialized countries of the South; South Korea, Brazil, Hong Kong, Singapore, Taiwan, Malaysia etc still look to the advanced industrial North for markets and spear parts. Furthermore, there are non-tariff barriers that are always introduced by the industrialized North to protect their economies despite persuading the South on market forces. Therefore, if Nigeria, Africa and indeed developing countries of the world will benefit from international trade, they must diversify and invest heavily on manufacturing sector, develop sophisticated technologies to add value to their products and create big markets for their goods and services rather than relying on the advanced economies of the North.

Keywords: Dependency, Development, Globalization, International Trade, North-South Divide

1. Introduction

In the period immediately following the world war 11, when the United States became the world's new political hegemon, it simultaneously became the preeminent voice in international trade affairs. The United States chose to promote liberal rules for an international regime of free trade and rejected the zero-sum, beggar-thy-neighbour, and mercantilist competitive economic nationalism, widely seen as a major cause of the great economic depression of the 1930's. Removing barriers to trade became a priority and the United States pressure led to the establishment of General Agreement on Tariffs and Trade (GATT), which after its birth in the late 1940's became the principal international organization designed to promote and protect international trade in the post war *Liberal International Economic Order*. However, the phenomenon that drives international trade is known as neo-liberal globalization. This process is promoted by WTO, IMF and the World Bank [1].

Globalization for some people, suggests exciting business opportunities, more rapid growth of knowledge and innovation, or the prospect of a world too interdependent to engage in war. In part, globalization may well turn out to be all of these things. For other people however, globalization raises troubling concerns: that inequalities may be accentuated, both across and within countries, that environmental degradation may be accelerated, that the international dominance of the richest countries may be expanded and locked in, and that some peoples and regions may be left further behind. Some of these concerns have been exaggerated, but they represent legitimate issues that need to be addressed to prevent globalization from leading to some or all of these problems. Thus, globalization carries benefits and opportunities as costs and risks. This is true for all peoples in all countries but especially for people living in absolutely poor families and in low-income countries, for which the stakes are much higher [2, 3].

Therefore, international trade driven by globalization is a fact of life for every country today. The United States of America is the world's largest consumer of imports. i.e. the largest importer. In 2014, it imported $2, 380,000,000,000's worth of goods and services. China was the second largest importer followed in that order by Germany, Japan, the UK, France, Hong Kong and South Korea. In Latin America, Mexico with the population of 129 million imports considerably more than Brazil with the population of 210 million. In the same year, Mexico imported goods and services to the value of $407.1 billion compared to Brazil's $241.9 billion. The Mexican economy relies heavily on international trade, while Brazil's is relatively protectionist [4]. Therefore, international trade is at the heart of today's global economy, which promotes global interdependence. Nigeria is not left out of global trade. The Observatory of Economic Complexity (OEC) in 2015 ranked Nigeria as 49th largest export economy in the world, having exported goods and products worth well above $47.8 billion and imported goods worth $ 39.5 billion. In 2017, the worth of Nigeria's exports was $ 46.8 billion, while her imports worth was $ 34.2 billion, making it the 58th largest importer in the world [5].

However, it is truism that every country of the world is a participant in international trade which according to liberal thinkers, has contributed in the rising standards of living for people around the world [6]. It is also an engine room for growth [7]. Simply put, international trade makes us richer [4]. Liberal thinkers posited that our modern industrialized world would not exist if countries did not import and export. They further argued that the gains of international trade cannot be over-emphasized as it leads to competitive transfer of technology, encourages economic of scale, comparative advantage, creation of jobs etc. Great nations of the world such as Japan, Germany, the UK, USA and South Korea have one thing in common. They have much lower levels of unemployment than protectionist countries [4].

On the contrary, dependency scholars maintained that the global economy, created by the fusion of the markets and open trade, has yet to reduce the huge gap between rich and poor countries. For people, the prospects for human equality are not promising. They further maintained that infant industries most especially in the developing countries find it much harder to grow if they have to compete against giant foreign firms, and that over-specialization which international trade promotes and encourages has its demerits, as employees might loose their jobs in large numbers if global demand for a product decline. More importantly, international trade tends to affect national security of countries that totally depend on imports for strategic industries (food, energy and military equipment). These groups of countries are at risk of being held to ransom by the exporters, hence, the need to look inwards. Dependency scholars submitted that not every single entity gains from international trade. Small group of countries may gain by restricting trade in order to get a sufficient favourable shift in their terms of trade. Such countries would lose if they gave up these tariffs and adopted free trade unilaterally [8]. The debates are explosive, because everyone is affected, but in quite different ways.

The reality in Nigeria and many other African countries is that importation and exportation of certain goods and services remain a disaster for the local economy due to technological backwardness and the dead of manufacturing sector in these nations. Primary commodity production continues to dominate the exports of Nigeria as little or no value is added. Capital goods constitute large chunk of Nigeria's imports with all the foreign exchange implications. There is a need for Nigeria to industrialize and diversify the economy if the country desires to make real gains from international trade.

However, this paper attempts to assess Nigeria's position in international trade. In order to deal with issues involved, liberal theory of international relations is used as a framework of analysis. The paper is divided into several parts. Part one is an introduction which deals with international trade and the emergence of World Trade Organization, which gives impetus to free trade. Part two attempts to look at international trade and unequal wealth distribution in the global system. Part three analyses Nigeria's position in international trade as a primary commodity producer, with its challenges. Part four is conclusion and the way forward.

2. Myths and Realities of International Trade

2.1. Theoretical Insights on Liberalism

Liberalism is one of the contending theories of international relations. At the core of liberalism is an emphasis on the impact ideas has on behavior, the equality, dignity and liberty of individual, and the need to protect people from excessive state regulation. At the level of international trade, liberalism emphasizes cooperation among countries of the world through free trade and open markets for goods and services. It advocates the removal of trade barriers to private trade and capital flow. Commercial liberalism however, proceeds from the premise that human kind's natural inclination is to cooperate. Thus, progress through mutually beneficial exchange is possible, both to increase prosperity and to enlarge individual's liberty under law. In commercial liberalism, economic activity can lead to global welfare, and the major problems of capitalism (boom and bust cycle, trade wars, and poverty for many amidst wealth of the few) can be managed [9].

However, although liberalization has spread worldwide as a policy principle, not all states consistently support the liberal tenet that government should not interfere by managing trade flows because they fear the potential costs of free trade [10].

Commercial liberalism is under attack in many states, including some of its proponents, which are pressured domestically to protect industries and employment at home. Globalization has not eliminated the urge to compete, because states fear the interdependence will compromise their sovereignty and security. State's trade policy are naturally influenced by the selfish desire to increase the domestic benefits of international economic transactions and to lessen their adverse consequences, even if this undermines the expansion of a global capitalist economy propelled by free trade [9].

2.2. International Trade and World Trade Organization

The existing principle and patterns of world trade will mainly favour the advanced parts of the world. Instead of helping the developing countries to promote the development and diversification of their economies, the present tendencies in the world trade frustrate their efforts to attain more rapid growth. These trends must be reversed [11]

International trade today is at the center of growth, development and underdevelopment of nations in this age of free trade driven by globalization. Nations of the world, trade among themselves through the exchange of goods and services because resources both human and materials are not evenly distributed on the face of the earth. Therefore, no nation can exist in isolation or claim to be so endowed that does not need another to supply some of what it needs for national survival. Nations of the world engage themselves in economic activities through trade which further foster cordial relationship and cooperation sometimes leading to financial, technical and even military support. However, technological changes led to the integration of state's economic markets. The extraordinary pace at which the countries of the world have linked their markets can be attributed to more than the increased speed of transport and communication. The internationalization of markets at the global level, and the convergence of commodity prices across countries, has been driven by the worldwide reduction of tariff rates that has made the expansion of international trade possible [1]. As the International Monetary Fund (2005) explained,

After the world war 11, the General Agreement on Tariff and Trade (GATT) was created by the international community, along with the IMF and the World Bank and other international organizations. Based on the principles of multi-lateral cooperation, the GATT had a mandate to roll back tariffs from their pre-war peaks and to continue reducing them in the future. The GATT was extremely successful in 1947 in the first Geneva Round in reducing tariffs by 35 percent. Successive rounds in the 1950's, 1960's (Kennedy Round), and the 1970's (Tokyo Round) and the recent Uruguay Round have virtually eliminated tariffs on manufactured goods. The World Trade Organization which succeeded GATT in 1995 is currently engaged in reducing non-tariff barriers and protection, in areas not covered by GATT [12].

The WTO has enlarged its membership and the countries that have agreed to adhere to its free trade rules are spread across the globe, with other applicants eagerly seeking entry. If and when this expansion process is complete, the globalization of trade will escalate even further and faster. In historical perspectives, the globalization of trade serves the testimony to the wisdom of commercial liberalism [13]. That trade liberalization to remove barriers to exports would permit the free trade crucial to growing prosperity. However, the reduction of tariffs rate since World War 11 has permitted international trade to grow. In the half-century since the founding of GATT the world economy has grown 6-fold, in part because trade has expanded 16-fold. The expansion of international trade is expected to continue to further accelerate the integration of the world market-place and thereby deepen the level of global interdependence [6].

Furthermore, in 1950, exports accounted for 8 percent of the worldwide GDP, and in 55 years since, they have tripled. The impact of the rising volume of goods shipped from one country to another has been enormous, pushing economic growth to unprecedented level. International trade has become increasingly important to all states, especially those that in the past were not concerned about exports. Now every state has become increasingly dependent on exports for economic growth and aggressively competes with other countries for a share of the growing international trade market. This has made states interdependent-the key defining characteristic of globalization [14].

However, countries of the world differ in the degree to which their economies become integrated through trade in the global political economy. It's important to note that pace of trade integration has been higher in the global South than in the global North, reflecting the less-developed global South's increasing contribution to world trade-a trend expected to continue. This also means that the global South is becoming increasingly important to growing economic prosperity in the global North. Currently, about two-thirds of the world's population lives in countries that are connected to the global economy, yet the huge gap between rich and poor countries has not reduced. Therefore, the prospect for human equality is not promising. Even by 2020, however, the benefits of globalization won't be global-Gap will widen and pockets within nations will be left behind as the perceptions of the contradictions and uncertainties of globalized world come even more to the fore than is the case today [15]. These disparities among groups of countries and people reflect their historical experiences and the different strategies of development that each country has chosen. They also reflect changes in technology and consumer demands in a global economy. High-technology electronic goods (eg data processing equipment, telecommunications equipment, and semi-conductors and microprocessors) make up an increasing proportion of trade in manufactured goods. Here, the advanced global North economies have cornered the market as the major suppliers, accounting for 73 percent of world exports. The United States and Japan lead the pack, followed by the European Union countries [14].

Therefore, the developing countries continue to export commodities in exchange for foreign exchange and manufactured goods. They have also continued to be economically and technologically dependent on the industrialized countries. Indeed, rather than progress into higher stages of economic growth and development, many of these countries have in fact, actually increased reliance on advanced economies of the North for food, capital and modern technology [16]. When the foreign exchange of the developing countries cannot buy the manufactured goods, these countries are left with no option than to borrow, leading to debt crisis and its devastating socio-economic and political consequences.

2.3. International Trade and Unequal Wealth Distribution

The global system for distribution of wealth is not equitable, that the dependence of the poor on the rich helps explain and perpetuates the differences between the two and that the poverty of the poor is the result of their exploitation. At the same time, the rich have gotten richer at the expense of the poor [17].

The existing and ever widening gap between the North and South in terms of economic and living conditions can be attributed to a combination of factors "indigenous to countries of the South and inherent in their relationships with countries of the North. Trade relationship between the North and South has very strong dependent bent in favour of the North [17, 18]. Countries of the South depend preponderantly on the North for technology and manufactured goods, as well as markets for their raw materials and agricultural products that for many remained their principal sources of foreign exchange essential to buy imported goods [19, 20, 21]. Even for Newly Industrialized Countries of South: South Korea, Hong Kong, Brazil, Singapore, Taiwan, Malaysia, Argentina etc, the North has remained a veritable source of market for their manufactured goods. Neo-liberal economic theories have continued to blame lack of development in the South on factors domestically peculiar to Southern economies. These theories seek to identify these obstacles to growth and suggest the supply of the missing elements, which include investment capital that can be obtained from the North in the form of foreign aid and private sources [22, 23].

However, the deteriorating conditions of development in the South are inextricably tied not only to the persistence of their domestic, economic and social problems but also to their relationship with the nations of the North. It is the very dependency of the South on the North that is responsible for the persistence of the South's economic and social ills. This notion attributes the conditions of the poor South to the dominance and dependence that characterized the current structure of international trade relationships between the North and the South rather than to the countries themselves [17].

3. Nigeria's Position in International Trade

3.1. The Quest for Economic Growth in Nigeria: Looking Beyond Oil

Over the past few decades, the magnitude of external trade between nations of the world has increased significantly. In particular, Nigeria has experienced a sharp increase in the value and volume of trade with other countries of the world. In 2013, Nigeria exported $94.8B and imported $53.3B, leading to favourable trade balance of $41.6B. In the same year, the per capita GDP of Nigeria was $5.6k and her GDP was $521B. Further analysis of the components of export and import indicates that the top exports of Nigeria are Refined Petroleum ($3.07B), Cocoa Beans ($561M), Crude Petroleum ($75.3B), Petroleum Gas ($10.3B), and Special Purpose Ships ($463M), while her top imports are Wheat ($1.42B), Rolled Tobacco ($1.34B), Refined Petroleum ($9.5B), Cars ($1.87B), and Special Purpose Ships ($1.01B). Expressed in percentage, the exports are led by Crude Petroleum which stands for 79.4% of the total exports of Nigeria, followed by Petroleum Gas, which accounts for 10.9% whereas the imports are led by Refined Petroleum which accounts for 17.9% of the total imports of Nigeria, followed by Cars, which contribute 3.51%. Nigeria recorded a trade surplus of N197, 187.70 millions in September, 2015. Balance of Trade in Nigeria averaged N201, 370.76 million from 1981 until 2015, reaching an all-time high of N217, 7553.08 Millions in October of 2011 and a record low of N-592200.72 Millions in March, 2011. The Nigerian Bureau of Statistics (NBS) reported this Balance of Trade and this tendency is expected over the long term due to the unrelenting calls for heightened trade liberalization to foster economic growth across the globe [7].

Therefore, it is important to note that Nigeria is a rentier state which depends on the exports of oil to the international market as a major source of foreign exchange. Oil has played a significant role in Nigeria's development over the years. Since the discovery of crude oil in 1956 and its exploration in commercial quantity in 1958 however, the oil sector gradually became the dominant sector in the economy, and almost the sole source of export earnings. For instance in 1970s, petroleum constituted about 78% of Federal Government revenue and more than 95% of export earnings. With the oil boom in 1974, other sectors of the economy-Agriculture, mining, manufacturing etc came to be neglected by successive administrations. Today, oil is almost everything in Nigeria. Little wonder then that a crash in the price of oil at the international market affects adversely, the Nigerian economy as we are experiencing today. Nigeria's economic structure remains highly undiversified as oil exports account for 95 percent of exports, manufacturing exports for less than 1 percent [24].

In spite of the dominance of petroleum sector as a major foreign exchange earner, agriculture remains the main stay of the economy. Apart from contributing the largest share of the GDP, it is the largest non-oil export earner, the largest employer of labour and a key to wealth creation and poverty alleviation, as a large percentage of the population derive their income from agriculture and related activities [24]. However, over the years, the rate of growth in the agricultural production has stagnated, and failed to keep pace with the need of rapidly growing population, resulting in the progressive rise in import bills for food and industrial raw materials. The potentials of agric-business sector as a major employer of the labour-force and earner of foreign exchange have also been undermined [25].

At independence, Nigeria, like most African countries followed the line of least resistance and largely continued colonial economic policies. In agriculture, this meant the promotion of selected export crop such as cocoa, groundnuts and palm produce. The first National Development Plan 1962-68, had no discernible agricultural strategy. No serious attempt was made to encourage private investment in agriculture; public investment was minimal and biased toward the interests of the elites. Furthermore, the decade of the oil boom 1970-80, reinforced the neglect of agriculture. With oil boom, the significance of agriculture was reduced. Agriculture which accounted for 75.9 percent of total federal revenue in 1965, was contributing only 2.4 percent by 1980, in contrast, petroleum share rose from 2.7 percent in 1960 to 73.7 percent in 1971, to 96.1 percent in 1980. The oil boom and the rise in public expenditure that accompanied it had a negative impact on agriculture. The extraordinary rise in federal expenditure altered relative prices and wages markedly [26].

However, by the second half of the 1970's, the export of palm oil, cotton and groundnuts, which had been the major foreign exchange earners before the oil boom, had ceased. The demise of agriculture, especially staple crop production, and the reduction of rural labour force by the civil war and urban migration (stimulated by the oil boom) put great pressure on the food supply and food prices. Efforts to boost agriculture through programmes like Agricultural Development Projects (ADPs) and later Directorate of Food, Roads, and Rural Infrastructure (DFRRI) in the 70's and 80's respectively failed. Despite huge investments by the government, these policies were subverted by greedy and corrupt political class [24, 26].

In Nigeria, the enormous revenue from petroleum production makes the agricultural surplus, as well as interest in agricultural development unnecessary. Indeed, agriculture is so neglected that food imports today becomes a major element of the Nigeria fiscal crisis. Regrettably, the enormous revenue that accrued over the years from the sells of petroleum products has not been reinvested in the economy to boost other sectors and to industrialize, a development that would have changed Nigeria's position in the world capitalist equation. The revenue from oil is looted, mismanaged and misapplied by the vampiric political class [27]. Till today, Nigeria remains primary commodity producer, and adds little or no value to its produce at the international market which remains the bane of Nigeria's external trade.

3.2. Primary Commodity Exports and Nigeria's Economy: Challenges and Possibilities

Commodities are critical element in international trade between Nigeria and its trading partners of industrialized world. In the present international division of labour, Nigeria is quintessential primary commodity producer whose prices more often than not, are determined by the industrialized countries. The industrialized countries get better organized all the time for the defense of their common interest against developing countries (Nigeria inclusive) under a growing list of international agencies, including the WTO, Paris Club, and the London Club. They constantly worry about how a rise in commodity prices will add to their inflation rates, and they are ever ready to deal with any signs of price surge in primary commodities [26].

Nigeria has about thirty-seven solid minerals and a population estimate of over 200 million people. The economic achievement of the country is rather frail when compared to the emerging Asian countries such as China, Brazil, India, South Korea, Indonesia, Malaysia and even Thailand. These nations had been at par with Nigeria in terms of GDP per capital in 1970s, but in recent years they have been able to transform their economies to come out as key competitors on the global economic platform due to technological advancement which engendered industrialization. In 1970, for instance, Nigeria had a GDP per capital of US$233.35 and was ranked 88th in the world, when China was ranked 114th with a GDP per capital of US$111.82. Today, China occupies a desirable position as the second largest economy after the United State of America, largely owing to her self-esteemed trade position. Therefore, major problem as to why the benefits of international trade cannot be found to have a positive effect on economic growth in Nigeria is the macroeconomic policy changes resulting from the trade which turned the country into an import reliant economy. More so, foreign trade has not contributed to economic growth because some of the goods imported into the country cause damage to the local industries by making their products seem inferior and therefore causing neglect, this thereby causes a decline in the rate of growth of output of such industries and this later affects the aggregate economy [28, 29].

Furthermore, commodities in industrialized countries suffer serious protectionism even in a world that is making lots of noise of market forces [30]. A 1988 study by the Overseas Development Institute (ODI), *Commodity Prices: Investing in Decline,* has underlined this tendency. Therefore, Nigeria's dependence on primary commodities for its exports earnings has become a major element of the crisis of underdevelopment in the light of trends in the prices of primary commodities and their implications for the term of trade [31]. Also, changes in the technology of production are reducing primary commodity content of manufactures. Thus, it has been estimated that since 1900, the quantity of raw materials needed for a given unit of manufacture has been declining slowly but steadily at a rate of 1.25 percent a year compounded. The biotechnology revolution is threatening commodity producers too. By techniques like tissue culture, tropical primary products or their equivalents can now be produced in laboratories in industrialized countries. Protein for animal feed may soon be produced from petroleum in European laboratories and make the export of soybeans and cassava unnecessary [26]. This will spell doom for Nigeria because the European markets wouldn't patronize them and Nigeria's peasants will be worst-off.

Besides, Nigeria's trade in commodity suffers serious discriminatory tax policies. The existing level of agricultural subsidies in European Union EU and North American Free Trade Area NAFTA has continued to destroy the chances of economic recovery in Nigeria, as this has contributed to limit market access and reduce world market prices for Nigerian commodity exports. Generally, African products have continued to face “indefensible trade barriers which directly or indirectly, tax its goods as they enter the markets of the rich world [32].

Similarly, in the United States, former President Clinton signed a preferential trade law into existence which gives African products preferences in U.S markets (But there must not be value added tax to the goods). Close to this was the Most Favoured Nations MFN, the law that gives U.S President Power to trade preferentially with any country deemed to be an ally of the United States. In this situation, African nations and indeed Nigeria will perpetually produce goods that are demanded by the U.S market, thereby consolidating dependency and underdevelopment of Nigeria in the global capitalist equation [2].

Again, import quotas are another major challenge to Nigeria’s international trade. Import quotas unilaterally specify the quantity of a particular product that can be imported from abroad. In the late 1950s for example, the United States established import quotas on oil, arguing that they were necessary to protect U.S national security. Hence, the government rather than the market place, determined the amount and source of imports [9]. These are non-tariff barriers (NTBs) which discriminate against imports in industrialized countries.

4. Conclusion

It is truism that no country can be totally self-sufficient in today’s global economy, a need exists for international trade. Liberalists advanced the assumption that, nations and their citizens would not voluntarily trade with other countries unless there are benefits from this exchange. A consequence of this decision to import and export is that today we can produce more goods efficiently. We can also use resources more efficiently. Simply put, international trade increases material standards of living across the world. However, the reality suggests otherwise when we take a closer look at Africa and Nigeria in particular. It is a fact that Nigeria has given herself up to the importation of virtually everything including oil it produces in commercial quantity, due to the moribund state of her refineries. The country has become a dumping ground for industrial goods, while its major source of foreign exchange comes from oil in the Niger Delta region of the country. Agriculture and industry have been neglected by the successive administrations. The neglect of agricultural sector is so much that the country cannot feed herself as food importation becomes part of the national crises. The textile industries spread across the country are dead because of the importation of second-hand clothes and the high-taste of the upper and middle class who prefer wears made in Europe and America. The dead of textile industries has engendered unemployment and poverty as workers have long been laid-off without financial benefits, sinking them into deep misery.

Manufacturing sector is in shambles because of infrastructural deficits. Electricity to turn the wheels has become a national embarrassment as the country generates less than 3000 megawatts which is supposed to serve over 200 million people. Therefore, the high cost of power has encouraged the importation of generators for industrial use, and the consumers bear the high cost of production through high prices of goods and services. The steel complex built barely 40 years ago which would have spurred industrialization in Nigeria has become a shadow of itself as the complex is a conduit-pipe for primitive accumulation by the governing elites who continue to make budgetary allocations for the revamping of the complex without results. India is better for it as the whole tricycles used across Nigerian cities by the poor masses are imported from India without a single assembly plant anywhere in Nigeria. Same can be said of pharmaceuticals as large percentage of drugs in Nigeria come from India.

Again, Japanese are better for it as virtually all electronics and exotic cars used by government officials and the middle class individuals are imported from Japan. Again, China is not left out among the nations that gain from trading with Nigeria. Today, Chinese products in Nigeria are second to none. If it is not Chinese phones, then it is Chinese laptops, radios, electrical appliances, and textile materials etc. which flood Nigerian markets. All these underscore the importance of manufacturing sector in international trade which Nigeria is yet to tap. Therefore, it is imperative that Nigeria has to shift away from primary production to secondary and tertiary activities comprising agriculture, crude petroleum and natural gas, solid minerals etc. Manufacturing industries should improve on their production so that their output would be competitive in the global market. Also, Nigeria’s economy should be diversified. Excise duties should be lowered so as to encourage local industries to export their goods and services. Nigeria should impose tariffs on certain goods where necessary to protect local industries from collapsing. Devaluation of the currency should be de-emphasized to encourage export of Nigeria’s goods.

Above all, African countries must unite and create a large market for their products and also, continue to industrialize in order to alter their present position in international trade. Finally, Africa must push through the instrumentality of the United Nations for a fairer trade rather than a free trade. It is by so doing that Nigeria and indeed Africa will change their present position in the global capitalist equation.

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