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Trade Liberalization in ECOWAS Sub Region: Implication for National Economic Development and Emancipation

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Abstract

Trade liberalization as opposed to trade restriction and unguarded protectionist policies of some nations have no doubt, substantially accounted for increase in nations' economic development, growth and emancipation. The anachronistic practices of mercantilism of centuries ago, have given way to the concept of free trade and comparative advantage, which have subsequently propelled interdependence, trade corporations and collaborations among nations of the world. There is freedom of trade between and within sub-regions all over the globe. The European Union (EU) has free trade-zones, the United State of America, the Arab world, Asia and African Union (AU) are not left out. Regional and sub-regional bodies form alliances which result in trade treaties that guarantee uninterrupted free-flow of trade between nations. The Economic Community of West African States (ECOWAS) which is constituted of countries in the West African sub-region has since its formation enveloped itself into a formidable international collaborative trade unionism for the purpose of effective economic governance, which translates into overall economic development and emancipation in the sub-region. It is the considered view of this paper that trade liberalization has a direct positive implication for national economic development and emancipation, particularly in Nigeria.

Keywords: Trade, Liberalization, Mercantilism, Protectionist Policies, Globalization, Economic development and emancipation, European Union, (EU) African Union (AU).

Introduction

The concept of globalization has resulted to bringing the entire earth under a global village; thereby making trade and commerce easier and comfortable. Globalization which is a complex and multidimensional phenomenon refers to the growing tendency of interactions, interconnection and integration of countries on a global scale. The United Nations development programme (2001) asserts that globalization is a multidimensional process of unprecedented rapid and revolutionary growth in extensiveness and intensity of interconnection on a pure global scale. Hit (2006) opines that globalization is the spread of economic innovation around the world and the political and cultural adjustments that accompany this diffusion. He adds that globalization provides greater opportunities for firms to compete in the new competitive landscape.

Usman (2004) sees globalization as the interconnection and interdependence between all parts of the world, particularly at all levels of economy and communications, such that former national barriers to the movement of information, finance, goods, services and entrepreneurship are being drastically reduced and everybody now has to compete with everybody in what has now become a global village and simple global market.

Rochester (2003) is of the opinion that globalization is a process of change in which the world's countries and their economies are increasingly integrated as a function of rising cross-boarder economic and other activities. He further argues that, globalization has led to increase in interest in the areas of international marketing, trade, transportation, communication, financial exchange, nuclear targeting around the world, etc.

In all its ramifications, globalization is viewed as instrument for economic growth, development and emancipation.

Kanter (2005) observes that, the United States of America's (USA) ability to attain its present status is predicated on its global economic policies, which made it conducive for the implementation of "market capitalism" on a global scale. He further contends that this priority given globalization on "market capitalism" in the USA has accelerated the achievement of imperative economic growth, combined with relatively equal distribution of income and the absence of large scale unemployment.

Aniche (2003), states that, the "free market" ideology of the globalists includes the following articles of economic faith; sustained economic product as measured by the Gross National Product (GNP) is path of human progress; markets that are free from government regulations result in the most efficient and socially optimal allocation of resources; the socially optimal allocation of resources; the removal of barriers to the free flow of goods and capital spurs competition, increases economic efficiency, creates jobs, lowers consumer prices, increases choice and economic transfer functions of assets from government to private sector to improve efficiency. The primary responsibility of government is to provide the infrastructure to advance international marketing and enforce the rule of law with respect to property rights and contracts. This manifests itself in such forms as the globalization of democracy, global ideological shifts; global technological revolution, especially,

through information and communication technology, globalization of culture and the environment. More particularly and crucial is the globalization of the economy.
There is no doubt that all forms of globalization are crucial in their respects, but the economic globalization is perceived to constitute the heart or the hallmark of globalization. ***Obadan (2003),*** views economic globalization as the integration of the domestic economies with the world and the inevitable consequential increase in economic interdependence of the countries through trade, financial and investment flows, freer factor movements and exchange of technology and information. He concludes here that openness of markets constitute the platform of globalization.
Openness of markets as major ingredients in globalization is directly linked to ***liberalization***, which forms the nucleus of this paper. Economic globalization refers to the increasing integration of economies around the world through reducing ***barriers to trade***, integration, capital flows, technology transfers and direct investment. Daovas (2007) points out that economic globalization is characterized by intensity of international marketing, cross-border trade, advertising and distribution; increased financial and foreign-direct investment flows promoted by liberalization and advanced information technology.
The implication of above is that the dividends of globalization can only be realized to the extent and intent that it can stimulate international marketing, increase specialization and efficiency, better quality products at affordable prices, economies of scale of production, competitiveness and increase output, technological advancement/improvement, increase in national income, increase capital information and capital flows.
From the forgoing discourse, it is instructive to conclude that the birth of globalization has direct relationship with trade liberalization which by extension guarantees world economic co-operation, competition and integration. This paper discusses succinctly the overall implication of trade liberalization on economic development and emancipation in the globe but particularly in Economic Community of West African States, with particular reference to Nigeria.
According to Omede (2006), Nigeria has a close relationship with her nieghbours in the areas of trade and investment, politics, culture, technology, among others. In his views, Nigeria maintains close ties with Cameroon, Chad, Republic of Benin, Equatorial Guinea, etc, which has over the years continued to foster better trade relationships.

Objectives Of The Study

- From colonial times to the present, nations and regions of the world have continued to collaborate with each other in the areas of trade, investments, security, culture, politics, religion, science, technology, agriculture, health education among others. The essential reason of such co-operations and collaboration is to facilitate growth and incognizance of the concept of co-operative advantage.
- The insufficiency of a nation in providing all they need for their citizenry has made it possible for them to remain dependent on each other, hence strengthening economic, technological, political and human capacity ties.
- The above assertions have created room for international treaties, bi-lateral and multilateral relations and formation of international contact groups and coalitions. Such international relationships for economic growth and development have given birth to bodies such as United Nation’s Global Compact (UNGC) in April 2009: Incidentally Access Bank is a signatory to this initiative; The United Nations Environment Programme Finance Initiative (UNEPFI), with over 170 institutions, including banks; insurance and fund managers as participants; Business in the Community (BITC), which has impact in work place, market place environment and community: Interestingly, Access Bank (Nigeria) is the first and only Nigerian member of BITC; United Nations Principles for Responsible Investment (UNPRI), launched in 2006; provides a frame work of possible actions for incorporating environmental, social and Governance (ESG) issues into mainstream investment decision-making and ownership practices; Global Business Coalition on HIV/AIDS, TUBERCULOSIS and MALARIA (GBC), established in 2001 and has developed an alliance with over 200 international companies United to make the fight against HIV/AIDS, tuberculosis and malaria a global priority; Nigeria Business Coalition Against AIDS (NIBUCAA) is part of GBC; Equator Principles (EP), adopted in 2009 – provide frame work to help banks manage their impacts on society and the environment.
- There is no gain-saying the fact that many entities are created to ensure growth in the economy. This paper is further aimed at reviewing how trade liberalization and treaties in the ECOWNS sub-region have helped to make impact in economic development of member-nations, especially Nigeria.

The significance of this study is to fill an observed vacuum in the area of study and provide necessary literature for scholars and researchers.

Economic Development and Emancipation:

In the views of Acha et al (2012), economic development and emancipation include the processes and policies by which a nation improves the economic, policies and programmes which countries of the globe adopt to improve technological, scientific, cultural, and human capacity development of their citizenry.

According to Blattnery (2001), economic development has been understood since the World War II to involve economic growth, namely, the increases in per-capita income and (if currently absent), and the attainment of a standard of living equivalent to that of industrialized countries. Economic development can also be seen as a static theory that documents the state of an economy at a certain time.

Accordingly, the bottom line of economic development today is about building prosperity and standard of living. A message from David A. Sampson, Assistant secretary for economic Development, U.S. department of commerce adds that, productivity and productivity growth are the fundamental drivers of prosperity, while innovation is the key driver of productivity. He subscribes to the view that, the focus of economic development should be on supporting innovation, increasing prosperity for American business and ensuring American workers have the skills to remain the most productive workforce in the world. Innovation will drive the growth of American industry by fostering new ideas, technologies and processes that lead to better jobs and higher wages; and, as a result, a higher standard of living. David A. Sampson holds that, America's capacity to innovate will serve as its most critical element in sustaining economic growth.

The reality of the concept of economic development is that, the globe lives and operates in a world wide economy. World wide economy (commerce) means that in American (and indeed other parts of the globe) business must operate and corporate globally. The underlying reality is that nations must think regionally, avoid isolationist practices and build strong economic platforms for growth and emancipation. Thinking and acting regionally should be the key fundamental point of departure for economic development needs and goals; the same remains the focal point of this paper on trade liberalization in ECOWAS subregion; its implication for National Economic Development and Emancipation. (http///www.edg.gov/About EDA/AbtEDA.xml).

According to Harvard Professor, Michael E. Porter, Economic development is the, long-term process of building a number of interdependent microeconomic capabilities and incentives to support more advanced forms of competition. These capabilities and incentives include, the nature and extent of imputs required by the firms to produce goods or services; the rules, incentives and norms governing the type and intensity of local rivalry, the quality of demand for local services; and the extent and quality of local suppliers and related industries. (http//www.eda.gov./Research/clusterbased.xml).

Popov et al (2002) of the Central Economics and Mathematics Institute and New Economic school, Moscow presented an article on ***stages of Development, Economic Policies and a new world economic order;*** which summarizes the theoretical arguments, empirical evidences and econometric findings to support the assumption that rational economic policies depend qualitatively on stages of development that are defined by productivity and institutional indicators of a country. The paper considers the impact of industrial policies, speed of foreign exchange reserves accumulation, technology transfers and immigration policies, as well as FDI and liberalization of capital flows on the rate of economic growth.

One of the most prominent proponents of economic development, W.W. Rostow (1960) developed the ideology of stages of Economic growth: A non-communist manifesto (Cambridge: Cambridge University Press 1960).

According to Rostow (1960) economic development is classified into five stages of growth, which include;

- The ***traditional society***, the ***precondition for take-off***, the ***take-off stage***, the ***drive to maturity*** and the ***age of high mass consumption***. It is the absolute conviction of the author that, it is possible to identify all societies in their economic dimensions, as lying within one of these five categories.

  Whereas the first stage (traditional) assumes that the structure is yet within limited production functions, the precondition for take-off (second stage) embraces societies in the process of transition. The take off stage is the interval when the old blocks and resistances to steady growth are finally overcome. The drive to maturity represent a long period of sustained-fluctuating progress. Characteristically, here the economy finds its place in the international economy: goods formerly imported are now produced at home; new import requirements gradually develop, and new export commodities to match them. Fifth and last stage, is "***high mass-consumption"*** where the leading sectors shift towards durable consumers' goods and services. Many nations in Europe and America are said to have attained this level. Japan, China and some other nations in Asia joined with Europe and America to enjoy this stage.

  Marx (1962) (1994) introduced the theory of the stages of economic development, which complemented the theory of class-struggle. Marx, Karl popularized economic evolution by categorizing it into five stages viz-a-vis ***slavery, feudalism capitalism, socialism and communism.***

  During the stage of slavery all works are done by human labour like, hunting, fishing, preparation of shelter, finding skin of animals etc. At the feudalism stage, human beings started learning the art of sowing and harvesting and inventing tools to increase productivity. As population increase, it became difficult to feed the populace with only hunting. Capitalism stage of Karl Marx represented the period of industrial revolution which led to generation and spread of scientific ideas and values among people. The popular French Revolution led to the realization of the need for freedom of expression, speech and association. These developments resulted in rapid increase in innovations and introduction of new technologies in many sectors. At socialism and communism stage, maturity of capitalism will create intense class conflict between Proleta riat (labour class) and bourgeois (capitalist class). In a state that is socialist in statute, labour will control the state and will own the available companies.

The United Nations introduced among others two basic dimensions of economic development. It is considered that GNP alone is not a good enough measure for economic development, hence the development of alternative methods. Two of the most popular methods postulated by United Nations are purchasing Power Practices (PPP) and physical quality of life index (PQLI). Whereas the PPP attempts to adjust international comparisons for the real purchasing power parities of national currencies, the PQLI is a composite index of infact mortality, life expectancy and basic literacy.

In summary, economic development refers to the sustained efforts action of policy makers and communities that promote the standard of living and economic health of a specific area.

It can also be referred to as the quantitative and qualitative changes in the economy. Such actions can involve multiple areas including development of human capital, critical infrastructure, regional competitiveness, environmental stability, social inclusion, health, safety, literacy and other initiatives. Economic development differs from economic growth. Whereas economic development is a policy intervention endeavour with aims of economic and social well being of people, economic growth is a phenomenon of market productivity and rise in Gross Domestic Product (GDP). Economic growth is one aspect of economic development.

Succinctly, economic development includes the process by which a nation improves the economic, political and social well being of its inhabitants. It embodies a greater number of characteristics than a rise in per capital income – it implies economy, changes in the demographical composition of the population, consumption pattern of individuals (citizens), sophisticated infrastructural development, advancement in science and technology, educational advancement, enviable security system among others.

Economic Emancipation

Economic development and emancipation are encapsulated in nations' policies, programmes and processes which improve and maintain their economic, political, social, technological and overall well-being. Economic emancipation has been popularized in the 20th century by economists, politicians, social analysts and others, who have frequently used the term to apply, to economic freedom. This is not to say that the term has not been in existence in the West centuries ago.

According to Gilbert Research Journal of finance and accounting (1997) Economic Emancipation refers to economic freedom that promote the standard of living of a specific people.

Regional or sub-regional development or under-development can be linked to the effectiveness or otherwise of various policy interventions in economic governance, liberalization in trade policies and openness in international collaborations between nations within and outside sub-regions will create sufficient grounds for economic development and emancipation.

Discussions relating to economic development may not be concluded without reflecting how the subject originated in the post war period of reconstruction initiated by the United State of America. During the inaugural speech of president Harry Truman in 1949, he identified, the development of underdeveloped areas as a priority to the West and stated thus "Morethan half of the people of the word are living in conditions approaching misery. Their food is inadequate, they are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handical, both to them and to more prosperous. For the first time in history, humanity possesses the knowledge and the skill to relieve the suffering of these people… what are envisaged is a programme of development based on the concept of democratic fair dealing… greater production is the key to prosperity and peace. And the key to greater production is a wider and more Vigorous application of modern scientific and technical knowledge"

This inaugural speech, to a great extent has facilitated the current effort of the U.S. in collaborating with the less developed nations in granting economic and infrastructural aids. Various trade agreements with other developing nations in the globe are propelled by the need to share in relieving the suffering of people.

Implication Of Economic Development On National Development And Emancipation

Economic development as earlier said refers to the enhancement in GDP and several other factors such as the improvement in average earning of the people in a nation. Whenever these happens, it means that economic development has occurred, which is very beneficial to that country and its people. Below are some implications of economic development on national development.

Increase In Employment Rate

When businesses and firms produce more products, their internal need for people increases gradually and thus they are forced to hire more people. This action increases employment rate significantly.

Enhancement In The Standard Of Living Of Citizens

Economic development enhances the standards of living of citizens by helping to lower poverty rate. It is regarded as the main method of lowering poverty in development countries.

Boost In Business Confidence

It impacts positively on the assurance necessary for running a business. With the gradual increase of profit from small businesses and firms due to economic development, business confidence increases and business men put more efforts for even better profits.

Enhancement In Tax Revenues

As a country's economy rises up, more taxes are collected by the government. This offers the government extra revenue for the financing of various projects. The end product is usually further development for the country.

Better Public Services

Since economic development causes a significant increase in the income possessed by the government, high amounts of money can be spent on different public services such as education, electricity, health care, security, agriculture etc. (Wikipedia, the free encyclopedia)

Considering the effect of economic development on national development has relationship with trade liberalization. This is viewed on the back drop of the fact that national/global economic development partly a function of free flow of trade among nations.

Trade Liberalization

There is scarcely any nation which can develop and grow in isolation. Nations of the globe have formed and entered into various firms of economic cooperations, collaborations, partnerships, joint venture agreements, which have remained catalysts for economic growth and emancipation. These cooporations and agreements are results of delebrate policies of various governments to allow free flow of trade (in goods - and services) across their national boarders. This policy of trade liberalization is practiced within AU, EU, USA, Arab nations, Asian block etc to facilitate international cooperation and growth.

Economic cooperation is increasingly reflected in the policy documents of donor countries. It is also embodied in the objectives and conditions of international cooperations. Economic cooperation in general, is a concept that is consistently being used as a simile for entrepreneurial, industrial, financial or productive cooperation.

The concept of economic cooperation can further be viewed as an answer to the emergence of new challenges in the process of globalization and commercial integration that call for the concept of cooperation as a relevant variable to be included. This is not only in terms of the political relations between states, but also in the economic relations established in the international context.

Economic cooperation is intertwined with trade liberalization. Much as nations of the world agree to cooperate with each other in the areas of trade and commerce, such can only be adjoined successful if nations involved remain open in their trade policies. Openness which is a key variable in trade liberalization will have a direct and positive effect on economic growth and development.

Hence trade liberalization refers to the removal or reduction of restrictions or barriers on the free exchange of goods between nations. This includes the removal or reduction of both tariff (duties) and non-tariff obstacles (licensing rules, quotas). The easing or eradication of these restrictions is often referred to as promoting tree trade.

Those against trade liberalization claim that is can cost jobs and even lives, as cheaper goods flood the market (which at times may not undergo the same quality and safety check required domestically). Proponents, however, say that trade liberalization ultimately lowers consumer costs, increases efficiency and foster economic growth. (Wikipedia, the free encyclopedia).

Under a free trade policy, price emerge from the equilibration of resource allocation. Free trade differs from other forms of trade policy where the allocation of goods and services among trading countries are determined by price strategies that may differ from those that would emerge under deregulation. These governed prices are the result of government intervention in the market place through price adjustments or supply restrictions. Such government interventions can increase as well as decrease the cost of goods and services to both consumers and producers.

Since the mid-20th century, nations have increasingly reduced tariff barriers and currency restrictions on international trade. Other barriers that maybe equally effective in hindering trade include; import quotas, taxes and diverse means of subsidizing domestic industries. Interventions include subsidies, taxes and tariffs. Non-tariff barriers, such as regulatory legislation and import quotas, and government managed trade agreements such as the North American Tree Trade Agreement (NAFTA) and Central America Free Trade Agreement (CAFTA) and any governmental market intervention resulting in artificial prices.

Manni et al (2012) join other existing literature to contend that trade liberalization leads to an increase in welfare derived from an improved allocation of domestic resources. Import restrictions create an anti-export bias by raising the prices of importable goods relative to exportable goods. It is observed that, the removal of this bias through trade liberalization will encourage a shift of resources from the production of import substitutes to the protection of export-oriented goods. Citing McCulloch, Winters and Cirera (2001), Manni et al (2012), argue that, the above situation will generate growth in the short to medium term as the country adjusts to a new allocation of resources more in keeping its corporative advantage. Accordingly, the most compelling argument adduced for greater liberalization is predicated on its effect on economic efficiency, which promotes private investment and economic growth: Higher growth in turn helps in lowering poverty by increasing employment and real incomes of the poor.

Regional Treaties/Agreements; Including ECOWAS

A good number of reasons are adduced by governments and companies who are engaged in international trade agreements and treaties. Agreements are reached to foster cooperation and collaborations, which will in turn add spices to the taste of liberalization some organizations and bodies involved in agreements and cooperations include these, among others.

- General Agreement on Tariffs and Trade (GATT)
- Common Market of Eastern and Southern Africa (COMESA)
- European Development fund (EDF)
- International Monetary Fund (IMF)
- Everything but arms initiative (EBA)
- Southern African Development Community (SADC)
- Standard International Trade Classification (SITC)
- United Nations Conference on Trade and Development (UNCTAD)
- United Nations Industrial Development Organisation (UNIDO)
- World Trade Organization (WTO)
- West African Economic and Monetary Union (WAEMU).
- Economic Community of West African States (ECOWAS) etc.

The ECOWAS heads of states and government have at various times entered into agreements/treaties and cooperations for a number of reasons; particularly to facilitate trade liberalization scheme, aimed at promoting economic health of West African.

The ECOWAS has its beginnings in the treaties of Lagos in 1975 for the purpose of promoting economic development in West Africa. This is in addition to maintaining strong trade relations between member nations. ECOWAS assists in matter involving civil peace keeping. ECOWAS bank for investment and development has entered into agreements with various companies and international banks in order to improve industry in West Africa sub-region. One significant agreement finalized in 2010 has allowed for financing of pharmaceutical factory in the region and subsequent production and research of resources designed to improve health conditions in the area.

Members who endorsed the contents of the agreement include:

- The President of the Republic of Benin
- The President of BURKINA FASO
- The Prime Minister of the Republic of Cape Verde
- The President of the Republic of Cote D'lvour
- The President of the Republic of Gambia
- The President of the Republic of Ghana
- The President of the Republic of Guinea
- The President of the Republic of guinea Bissau
- The President of the Interim Government of National Unity of the Republic of Liberia
- The President of the Republic of Mali
- The President of the Islamic Republic of Mauritania
- The President of the Republic of Niger
- The President of the Federal Republic of Nigeria
- The President of the Republic of Senegal
- The Head of State and Chairman of the National Provisional Ruling Council of the Republic of SIERRA LEONE.

It is further reemphasized that, in line with the objective of promoting cooperation and integration, and as one step toward the creation of a common market which, according to the ECOWAS Revised Treaty, should be established among others, through "the Liberalization of Trade by the abolition, among others member states, of non-tariff barriers in order to establish a free trade area at the community level".

This ECOWAS trade liberalization scheme was first implemented in 1979 with only agricultural products. Subsequently, in 1990, it opened up to include industrial products.

Regional and subregional treaties and agreements reflect a demonstration of free trade policies which have remained a great influence on economic development and emancipation.

Impact Of Trade Liberalization On Economic Development

Being guided by the work of Dinna Tussie and Carlos Aggio on Economic and social impacts of trade liberalization, this paper examines the impact of trade liberalization on economic development.

Preponderance of economic literature hold that trade liberalization leads to an increase in welfare derived from an improved allocation of domestic resources. Import restrictions of any kind, create an anti-export bias by raising the price of importable goods relative to exportable goods. The removal of this bias through trade liberalization will encourage a shift of resources from the production of import substitutes to the production of export oriented goods. This in turn will generate growth in the short to medium term as the country adjusts to a new allocation of resources more in keeping with its comparative advantage (McCulloch, Winters and Cirera, 2001). The most compelling argument for greater liberalization comes from the effects on economic efficiency, which promotes private investments and economic growth: Higher growth in turn helps lower poverty by increasing employment and real incomes of the poor. Krugman (1990) summarized the reasons why trade liberalization is good for growth and economic development in developing countries. Firstly, developing countries have production patterns that are skewed towards labour-intensive service, agriculture and manufacturing. People have low per capita incomes and markets in such countries are usually small. A liberalized trade regime allows low-cost producers to expand their output well beyond that demanded in the domestic markets. Secondly, whereas industrialization based on protection of domestic industries thus results in even-higher capital intensity of production, the open trade regime permits enjoyment of constant returns to scale over a much wide range and finally import substitution regimes normally give bureaucrats considerable discretion either in determining which industries should be encouraged or in allocating scarce foreign exchange in a regime of quantitative restriction, leading to serious efficiency losses. On the other hand, open trade regimes force greater reliance on the market. Empirical evidence on the positive effects of trade liberalization is quite abundant .

Kraal and David Dollars provides evidence that trade liberalization has a positive effect on economic development in their study. The study concludes that one third of the developing countries of the world described as "rapid globalizers" did extremely well in terms of income growth and poverty reduction over the past two decades or so.

In contrast, the remaining two-thirds of the developing world, with a large concentration in Africa, that did not experience trade expansion due to lack of sufficient outward orientation, performed poorly both in terms of growth and poverty reduction.

Trade liberalization has positive impact on economic growth, income, GDP growth, and poverty level in a nation. Finally, studies also suggest that there may be short-term costs in terms of falling real wages of unskilled labour and or initially declining employment as greater competition drives out inefficient firms from business. (Bhagwah and Srivnivasan, 2001).

Trade Liberalization In Nigeria

Trade liberalization as a concept does not mean any thing different as in Nigeria from other nations of the globe. But this paper will rely on literature and views of authors to bring out salient issues relating to the subject matter.

Trade liberalization is central to the structural adjustment programmes being implemented by most countries in sub-Sahara Africa including Nigeria. Effiom et al (2011) opined that, the cornerstone of the SAP-induced policy was the opening up of domestic economies to face increased competition in order to ensure efficiency in resource use, removal of wastages, elimination of persistent misalignment in the external and domestic sectors which ensured continuous balance of payment dis-equilibrium, and a general redirection of the economy to the path of recovery and growth.

The policy measures implemented included the elimination of non-tariff barriers to imports, the rationalization and reduction of tariffs, the institution of market -determined exchange rates and the removal of fiscal disincentives and regulatory deterrents to exports.

Trade liberalization appear to be one of the most controversial policies in international economics and finance. Many argue in favour, while others remain on the opposing side.

Proponents argue that free trade and reduction in trade barriers will help the economy by stimulating economic growth of African economies, while others maintain that trade liberalization may not provide positive contributions to long run growth of African economies (Yimer 2012). Trade liberalization has different effects on different types of economies, depending on the type of environment and structure of the economy. If practiced with fiscal monetary discipline, appropriate financial sector reforms and the decontrol of domestic prices, it is expected to raise international competitiveness. This has been the focus of the succeeding administrations in Nigeria in recent decades.

The growth of Nigeria industrial sector in the 1970s was the outcome of a policy of import substitution that has been pursued since the late 1950s (Ayonrinde and Olayinka 2002). Such policies harmed export partly through the overvaluation of domestic currencies, partly through the encouragement of low return on investments by preferential credit policies and direct public investment in industrial ventures. Established firms in the industrial sector are therefore among the main losers from adjustment in general and trade liberalization in particular.

Exposure to world prices generated a process of competitive selection which some firms could not survive because they owe their existence largely to previously sheltered markets or subsidized input supplies.

On the other hand, the same process could have raised productive efficiency among survivors and new entrants to industries. This in turn could have led to new entrants into industries; which in turn could have yet resulted to efficiency in import substitution and greater production for export markets, the large size of which means greater scope for economies of scales and firm's growth and economic expansion.

The Nigerian government like many other developing countries consider trade as the main engine of its development, because of the implicit belief that trade can create jobs, expand markets, raise income, facilitate competition and disseminate knowledge. The main thrust of trade policy is therefore the enhancement of competitiveness of domestic industries with a view to stimulating local value-added and promoting a diversified export base. Trade policy also seeks (through gradual liberalization of the trade regime) to create an environment that is conducive for increased capital inflows, and to transfers and adoption of appropriate technologies. (WTO 2005).

The trade policy of Nigeria since the 1960s has witnessed extreme policy swings from high protectionism in the first few decades after independence to its current more liberal position. Tariffs have at various times been used to raise fiscal revenue, limit imports to safe guard foreign exchange or even protect the domestic industries from competition. In addition, various forms of non-tariff barriers such as quotas, prohibition and licensing schemes have on various occasions been extensively used to limit imports of particular items. The overall pattern portrays the long held belief that trade policy can be used to influence the trade regime (Adenikinju 2005).

Concerted efforts were made to use trade policy to promote manufactured exports and enhance the linkages in the domestic economy to increase and stabilize export revenue, and scale down the country's reliance on the oil sector. Trade policies were accordingly directed at discouraging dumping; supporting import substitution, stemming adverse movements in the balance of payment, conserving foreign exchange and generating government revenue. (Bankole and Bankole 2004).

However, during the first decade of independence, Nigeria pursued an import substitution industrialization strategy. This strategy involved the use of trade policy to provide effective protection to local manufacturing industries through such measures as quantitative restrictions and high import duties.

More so from 1981, there was a policy shift towards exports promotion and a move to intensity the use of local raw materials in industrial production. However, the increase in the value of imports led to the worsening of the balance of payments (in addition to the backdrop of the collapse in world oil prices). During 1983-1985, 152 items were brought under specific import license and foreign exchange regulations became more stringent.

As part of efforts by different regions of African nations to regain economic and financial balance, government official have increasingly turned their attention to improving trade policies. All the trade policies from 1960s to present, by different regimes were equally aimed at properly structuring the country to be more people-oriented. The magnitude of the distortions ushered in by the culture of controls made it imperative for government to take urgent and proactive measures to ameliorate the situation. Thus, in July 1986, the structural adjustment programme (SAP) was introduced to tackle the problem of imbalances in the economy and thereby pave the way for stable growth and development. The problem now is that despite all the changes in policy thrust and various amendments, Nigeria is yet to have a stable economy. In agriculture, there is the problem of poor funding, high cost of production input in agriculture due to the depreciation of the naira, the predominance of small holder agricultural activities etc. The manufacturing sector remained hampered by high external dependence of the manufacturing sector, low technological capability, decay of infrastructural facilities etc. Thanks to trade liberalization polices of succeeding governments which have given rise to international collaboration and cooperation between Nigeria and other nations of Asia and Europe. Current increase in international treaties and agreements have helped to expand the scope of agricultural imports and exports and other non-oil products which result in economic development and emancipation.

Summary/Conclusion

Sub regional treaties/agreements have become acceptable norms to enhance free flow of international trade, which inturn translates to economic development and emancipation of nations. The observations below are helpful to drawn conclusions on this paper;

- Trade liberalization closes the gap between developed, less developed and under developed nations of the world.

- Hence increasing international collaboration and competiveness.
- Free flow of trade between national borders has created economic and political awareness and international friendly ties.
- Trade liberalization between Nigeria for instance and its neigbours in West-African Sub-region has resulted in exchange of sub-regional cooperation in the areas of agriculture, education, power supplies, technology and economic governance.

Yet inspite of the good intention of liberalization, Rodriguez et al (1999) caution in his work that, their main intention is to challenge the over-enthusiasm on the questionable outcomes of many researchers showing strong positive correlation between openness and growth, rather than convey the message of trade protection as being good for growth. They imply that, there should be a balance between trade liberalization and trade protection. Dollar et al (2001) support trade liberalization in their study as an option because it provides evidence of an growth in the economy and poverty reduction. The study concludes that one-third of developing countries of the world described as “rapid globalizers” did extremely well in terms of income growth and poverty reduction over the past decades or so. These countries which include Bangladesh, India and Sri Lanka in South Asia, have experienced large increases in trade and significant reduction in tariff and non-tariff barriers. Bangladesh, for instance, saw its trade GDP ratio almost double (during the course of the 1990s decade. Dollar (2001) further conclude that, in contrast the remaining two-thirds of the developing world, with a large concentration in Africa, that did not experience trade expansion due to insufficient outward orientation, performed poorly both in terms of growth and poverty reduction.

Whereas there may not be sufficient empirical evidence to challenge the conclusions of Dollar et al (2001), yet this paper concludes that the picture has changed tremendously due to current efforts of various nations of Africa towards globalization and trade liberalization. North African nations, South Africa nations, West Africa, East and Central African nations have endeavoured to engage in trade liberalization and treaties which have resulted in expansion and growth. The economic community of West Africa states which include, among others, Nigeria, Ghana, Burkina Faso, Cote D’Ivoire, Senegal, Sierra Leone, have had cause to enter various treaties for economic cooperation, integration and collaboration, which result in expansion.

But then, the efforts of West Africa sub-region and other parts of Africa have been truncated by Civil Wars, and other economic crimes ranging from corruption, lack of transparency, political instability, kidnapping, oil theft and general mismanagement of resources. It is the view of this paper that the concept and practice of trade liberalization can meaningfully guarantee national economic development and emancipation if there exist sustainable peace and transparent economic governance. If terrorism and civil crisis are not checked in Nigeria, Uganda, Kenya, Central African Republic, the Sudan, Republic of Benin, Mali, Guinea Bissua, Liberia, Republic of Guinea, Egypt, Senegal, Cape Verde, etc then efforts made towards trade liberalization and openness in trade will not yield desired economic development and emancipation.

In order words, peace, good governance, absence of or reduction in corruption, political stability, good economic planning, prudent management of resources and the likes in conjunction with trade liberalization will positively and significantly affect economic development, growth and emancipation.

Recommendations

To achieve growth economic development and emancipation, it is recommended that deliberate efforts should be geared towards economic policies which will affect openness and cooperation among nations in West-African Sub-region. There is no doubt that to sign bilateral and multi-literal aggremmnets are popular among nations, but the challenge has always been the implementation of the embodiment of the agreements. It is therefore recommended that concerted effort should be made to ensure that trade agreements reached between Nigeria and her neigbours in the subregion should be monitored till full implementation.

Efforts should be intensified by African sub-regional governments to eliminate wars, corruption and other vices that affect trade liberalization since that will in turn affect adverse and negative effect on economic development and emancipation.

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