

Trade Liberalization and Poverty Reduction in Nigeria: A study of selected Communities in Edo State.

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Abstract

Trade liberalization is a global public policy intended to stimulate growth incentives that could be translated into poverty reduction. The growing economy of the developing Nations contend with this fact, as they grow sluggishly under the weight of trade liberalization without growth, and where growth exist it has not been translated to poverty reduction inspite of government efforts in poverty reduction practice in Nigeria. This study investigated the influence of trade liberalization on poverty reduction programmes in Nigeria while focusing on Edo state. To achieve this, primary and secondary data were utilized. With simple random sampling, nine(9) Local Governments were selected across the three senatorial districts in the state. Through multi stage sampling, 1,350 respondents were selected across 27 communities and they were administered questionnaires on the core subject areas. Questionnaire served as the research instrument used in this study. The collected data were analysed by simple percentage and chi-square statistical instrument. In the analysis, it was revealed that trade liberalization hinders the followings: the growth of infant industries, skill acquisition, self-reliance due to increase inflow of foreign products and self-employment which are the core objectives of poverty alleviation programmes in Edo state, Nigeria. On the aggregate, the study revealed that trade liberalization has limiting effects on the performance of poverty alleviation programmes in the study areas in Edo state in particular and Nigeria in general. Against this background, the following recommendations among others were adopted, that: small scale industries should be protected; safe net should be provided for the poor against the harsh effects of trade liberalization; provision of better and modern infrastructure to stimulate growth; etc.

Keywords: Trade liberalization, Poverty reduction, Programme, uneven-development, communities

INTRODUCTION

Liberalisation as a discourse, lies more within the context of commodity trade among nation-state. Though international trade is not a new phenomenon, but the concept of liberalization as it bothers on openness of border for the free flow of goods and services among nations accompanied the wake of globalization in the most recent century. The reason being that, trade is a driving force for economic growth in industrialized and developing countries as well as tool for stimulating development in the poorest nations of the world for the achievement of New Millennium Development Goals(Asimina,2006). While the industrialized nations are more integrated in the global market, developing nations seem to be fenced out, a situation that had led to deficit in their current account. This deficit is either linked to their non-participation in the global market for the sale of commodities or the few oil producing states that participate only do so on a single commodity. This overall scheme has a huge debt maintenance and poverty recycling in Africa. The world bank and IMF have interceded in encouraging the third world states on the need to liberalized their trade with the aim of expanding their economic growth and development through diversification of production for export(Offiong, 2001). Against this background, a large number of developing countries started participating intensively in global market and this made them major implementer of trade liberalization policy since it has been packed together with structural adjustment programmes(Murlidhar,2013). Literature replete with debate surrounding trade liberalisation within the context of poverty alleviation in the developing nations and elsewhere in the world. This debate has been divided between the optimists and pessemists of trade liberalization.

Dollar (1992), Sachs and Warner (1995), Edwards(1988), argued that trade liberalisation is good for growth as it ultimately alleviate poverty. In a related development, Jones(2001), White &Anderson(2001), Lundberg & Squire (2000) , drawing similar experience from Dollar (1992), Sachs &Warner (1995), Edwards(1988), found that openness is good for growth, while growth increase the income of the poor. These scholars in their study did not consider the nature and position of the tradeable goods of African States which Amin(1976)considered as supplementary to autocentric products. Because of the supplementary status accorded to their products , Amin emphatically inferred that international trade will not benefit the African States and the entire peripheral nations.

Hay (2001), Ferriera & Rossi(2001), Jonsson & Subramanian(1999), Lee(1996) &Kim(2000), in their sectorial studies on trade liberalisation and productivity in some selected countries like, Brazil, South Africa, Korea etc, found that trade liberalisation leads to economy of scales thereby stimulating technological competition. The importance of their study is the logical provision of the idea of economic growth as a measure of poverty alleviation. They however fail to identify the guiding principles of economic formation that could bring about growth, and how an achieved growth could be translated into poverty alleviation.

Ravallion(2003), examines the relationship between trade openness and poverty. He reported in his study that trade openness is a powerful force in reducing poverty in the developing countries. Dollars & Kraay (2001b), used regression for the selection of the most globalised countries growth rate against their trade openness and found that increase in the volumes of trade subsequently influence the growth and living standard of the poor. They concluded in their study that trade openness stimulates growth while growth enhances the income of the poor. To put differently, openness of trade reduces poverty.

In spite of the growth advantage associated with trade liberalization, some scholars equally observed its adverse effects on the living standard of the poor populace. Agenor (2002), observed that trade liberalisation can reduce unskilled labour. His observation is based on the assumption that openness through technology can possibly displace the role of thumb or manual labour, because liberalization of trade stimulates autocentric world resulting to a cut in the use of unskilled workers. This decline in the demand for unskilled workers will increase the level of unemployment especially among unskilled poor populace that lack the capacity to compete in the modern sectors employment. This perhaps, was echoed by Vasquez (2002), when he said that trade has negatively affected the wellbeing of the poor. Winter(2000) contributing to this intellectual investigation, found that liberalization of maize in Zambia resulted in closure of market for corn in the rural communities in Zambia causing more poverty for the poor rural farmers.

By and large, the popular ovation for trade liberalization is that it spawns growth and alleviates poverty. On the basis of its strength, the Nigerian government made a practical effort to intensify its international trade engagement as well as engaging in domestic policies and programmes to fight against poverty. Nigeria prominent role in the campaign for trade liberalization in Africa and its sub- region has not alleviated poverty in Nigeria, as she hitherto classifield among the poorest nations in the world(Aremu, 2006), and its citizens feed on less than one dollar a day(Shepard, el ta, 2007). Against this background, one may ask; does trade liberalization limits government's efforts in mitigating poverty in Nigeria? Does trade liberalization limits the growth of infant industries which government's poverty reduction policies and programmes intended to nurture? Does trade liberalization hurts the spirit of self reliance which is the major core for economic recovering of any nation? These and many others shall be assessed upon the interface of government policies and programmes esterblished to curshion poverty among the people.

Theoretical Framework

The Uneven development approach is adopted for the explanation of this study. The notable scholars in this school of thought are Prebisch(1950) ,Singer(1950), usually known as Prebisch- Singer doctrine, Myrdal(1956), Amin(1976), etc. Uneven development is a trade and development related thoery. The theory does not negate the concept of comparative cost advantage but emphasized on gain desparity accrueable from openness among the two participating worlds(the industrialized and developing Nations) The tenets of the approach is that the gain of international trade will be unequally allocatted between the exporters of manufactured goods and that of primary products. This will precipitates into inequality in resource allocation between the industrial and developing nations.

According to the theory, the term of trade in the international market arena is unequal and is designed against the developing nations in favour of the industrialized states. This will bring about economic adversity since the term of trade tends to move against the developing nations. The proposition holds that the periphery economies suffer in the term of trade because their demand and supply are affected by the term of trade relationship that tends to be slop-sided in nature. This implies that on demand side, the industrialized nations have high demand eleticity while the developing nations have low demand elasticity. On account of this, income rises in the industrialized nations due to increase output that stimulates inrease in consumers demand while on the part of the developing, increase in output does not lead to corresponding increase in demand of such products because the demand of the developing is price inelastic.

Singer(1950) ascerted that the existing structural differences between the industrialized and developing nations, is decline against the producer of primary products that stimulates unequal distribution of income in favour of the industrialized nations that has the responsibility to produce manufactured goods. This indicates a decline in the prices of primary products in favour of the manufactred goods. While the industrial nations are benifiting from the producer of indusrial goods and the consumer of primary products, been the consumer of

primary product as well as the producer of manufactured goods), the developing nations tend to be worse-off, as the consumer of the manufactured goods and the producer of the primary products.

Applicably, uneven-development approach is adequate in the management and discussion of this study because it rationalized the poverty of the developing nations. In other words, the developing nations are the receiving end of the arbitrary allocation of international division of labour in which the industrialized nations have absolute control. Today, many African nations that are liberalized can not fully realized the gain of liberalization and many as a result live in an abject poverty because of the adverse trade relationship that manifest in their balanced of payment deficit. While the industrialized world benefit on account of trade liberalization for been an autocentric suppliers, the third world states are losing been the producer of primary products that are supplementary in nature which the industrial nations feel they can equally produce, even better. This explains the controversy over the supply of agricultural products which the third world nations have comparative advantage of in the world trade organization.

As the industrialized nations is getting richer on the account of trade openness, the developing nations are either getting poorer or stagnated on account of the adverse trade relationship

RESEARCH METHOD

This study assessed the impact of trade liberalization on Poverty Alleviation Programmes in Nigeria and Edo State in particular, with special focus on National Poverty Eradication Programme (NAPEP) and National Directorate of Employment (NDE). These two programmes are selected because of their wide range of popularity among the people. To achieve this, twenty (27) Communities from nine (9) Local Governments from the three senatorial districts in Edo State were selected with the aid of simple random sampling. The communities are Uhi, Ehor and Ugbiyoko in Umunwode Local Government, Okada, Ekiadolor and Okhu in Ovia North East Local Government, Ugbor, Ogbe and Igun in Oredo Local Government of Edo South Senatorial District, Auchu, Jattu and Iyereku in Estako West Local Government, Uzebba, Ozalla and Sabongidda-Ora in Owan West Local Government, Igara, Ikpeshi and Okpe in Estako Central Local Government of Edo North Senatorial District, Ebelle, Ewossa and Okalo in Igueben Local Government, Irrua, Opoji and Ugbegun in Esan Central Local Government, Ujolelen, Emaudo and Iruokpen in Esan West Local Government of Edo Central Senatorial District.

Primary and Secondary methods of data collection were utilized in this study. The population of this study is the adult residents of the selected Local Governments with population of about 1,347,101 (FGN, 2006).

The selected Nine Local Governments in this study are Umunwode Local Government, Ovia North East Local Government and Oredo Local Government (Edo South Senatorial District); Estako West Local Government, Owan West Local Government and Estako Central Local Government (Edo North Senatorial District) and Igueben Local Government, Esan West Local Government and Esan Central Local Government (Edo Central Senatorial District)

The sample size is 1,350, selected from 27 communities in this study. The sample size of 1,350 was selected with the help of multi-stage sampling done in the following order: the selection of three local governments from each senatorial district bringing to a total number of nine local governments. Three communities were drawn from each local government, bringing to a total number of 27 communities in the study. In each community, 50 respondents were drawn, thus making a total of 150 participants from each local government, which cumulatively resulted to 1,350 respondents from the nine local governments selected for the study. The choice of multi-stage technique was informed by the largeness of the study areas as well as absence of census list (Aghayere, 1997; Baley, 1978 and 1982; Nachmias and Nachmias, 1987).

Questionnaire is used in this study as research instrument designed by the researcher to elicit response from the research participants. It is divided into sections A and B. While section "A" dealt with the demographic data of the respondents such as age, sex, marital status, educational level, local government of origin, etc., Section "B" contained critical items that elicited responses on the impact of trade liberalization on poverty alleviation programmes. In section B the likert scale format was used. This format requires respondents to either strongly agree, agree, un-decided, strongly disagree or disagree. It was designed in this order to enable the uneducated person to provide answer. The respondents completed these sets of questions by ticking the correct answer as applicable.

Data were analyzed with simple percentage and chi-square (χ^2). The simple percentage was used for personal data and responses on the research variables of the subject matter while the chi-square (χ^2) was used for the hypothesis. Similarly, GAMMA (γ) was used to measure the degree of relationship between the variables.

DATA PRESENTATION AND ANALYSIS

A total of 1,350 respondents from the three senatorial districts in Edo State were used for the study. Out of this number, 1278 respondents were found to have properly completed the questionnaire. This represents 94.7% return rate.

In Edo South Senatorial District, 92.2% properly completed and returned the questionnaire, 95.1% in Edo North Senatorial District while 96.7% in Edo Central Senatorial District. These show a high return rate across the three senatorial districts. The analysis of the data is based on the return rate which is organized into three sections; the social profile of the respondents, the opinions of the respondents on the research variables and testing of hypothesis.

ANALYSIS OF THE SOCIAL PROFILE OF RESPONDENTS

In the analysis of the age distribution of respondents drawn from the three senatorial districts in Edo State. It shows that 31.1% of the respondents from Edo South Senatorial District fall within the age bracket of 20 and 30 years, 31.3% in Edo North Senatorial District and 30.6% in Edo Central Senatorial District. Cumulatively, 31.0% of the respondents fall within this age set. Within the age bracket of 31-40 years, 28.4% of the respondents in Edo South Senatorial District, 28.3% in Edo North Senatorial District and 28.1% in Edo Central Senatorial District. Cumulatively, 28.3% of the respondents are within this age grade. Furthermore, 21.2% of the respondents in Edo South Senatorial District, 22.4% in Edo North Senatorial District and 23.2% in Edo Central Senatorial District fall within the age bracket of 41 and 50 years. This represents a cumulative 22.3%. Also, 19.3% of the respondents in Edo South Senatorial District, 18.0% in Edo North Senatorial District and 18.2% in Edo Central Senatorial District are 51 years and above. Cumulatively, 18.47% of the respondents fall within this age set.

Also, in the analysis of sex distribution of the respondents in the three senatorial districts in Edo State. It indicates that 74.73% of the respondents in Edo South Senatorial District, 74.86% in Edo North Senatorial District, 76.3% in Edo Central Senatorial District are males. Conversely, the distribution of female respondents shows in 25.3% of the respondents in Edo South Senatorial District, 25.2% in Edo North Senatorial District, 23.7.00% in Edo Central Senatorial District. Cumulatively, while the male respondents constitute 75.3% of the sample, the female respondents constituted 24.7. This distribution indicates that there are more male respondents than female respondents in the sample. However, in sum, the proportionality represents a fair distribution.

Further more, the analysis of respondents that acquired tertiary education shows that 43.8% of the respondents in Edo South Senatorial District acquired tertiary education, 44.9% in Edo North Senatorial District, and 44.4% in Edo Central Senatorial District. This presents a total number of 45.0% of the respondents. Also, in the above table, 44.3% of the respondents in Edo South Senatorial District, 43.9% in Edo North Senatorial District, and 44.8% in Edo Central Senatorial District acquired secondary education. This represents a total number of 44.4% of the respondents. In the same vein, 9.9% of the respondents in Edo South Senatorial District, 11.2% in Edo North Senatorial District West, and 10.6% in Edo Central Senatorial District had primary education. This represents a total number of 10.6% of the respondents. This distribution indicates that a larger proportion of the respondents acquired tertiary education in the three Senatorial Districts.

In the same vein, the analysis of the occupational distribution of the respondents in the three Senatorial Districts shows that 36.6% of the respondents in Edo South Senatorial District are employed in the public sector, 23.8% in Edo North Senatorial District, and 29.0% in Edo Central Senatorial District. This represents a cumulative of 29.0% of the respondents. Similarly, the above table shows that 32.0% of the respondents in Edo South Senatorial District are employed in the private sector, 24.1% in Edo North Senatorial District, and 25.7% in Edo Central Senatorial District. This represents a cumulative of 27.2% of the respondents. Also, the table revealed that 10.8% of the respondents in Edo South Senatorial District are self-employed, 33.9% in Edo North Senatorial District, and 27.6% in Edo Central Senatorial District. This represents a cumulative of 24.3% of the respondents. Also, 20.5% in Edo South, 18.2% in Edo North, and 17.7% in Edo Central Senatorial District of the respondents are respectively unemployed.

4.3 ANALYSIS OF CORE RESEARCH VARIABLES

The research survey established the impact of trade liberalization from the respondents in three senatorial districts which assessed trade liberalization on winding up of infant industries, discouraging skill acquisition, increasing dependence on foreign products and discouraging self-employment. The results are presented in the table below.

Table: 1a PERCEPTION OF IMPACTS OF TRADE LIBERALIZATION ON POVERTY ALLEVIATION PROGRAMME

S/N	Variables	EDO SOUTH					EDO NORTH					EDO CENTRAL				
		SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
1	Winding up of infant industries	30 (7.2)	379 (91.3)	6 (1.4)	-	-	21 (4.9)	374 (87.4)	18 (4.2)	15 (3.5)	-	18 (4.1)	390 (89.7)	27 (6.2)	-	-
2	Discouraging skills acquisition	30 (7.2)	382 (92.0)	3 (0.7)	-	-	29 (6.8)	379 (88.6)	20 (4.7)	-	-	20 (4.6)	391 (89.9)	34 (5.5)	-	-
3	Increasing dependence on foreign products	33 (7.9)	378 (91.1)	2 (0.5)	2 (0.5)	-	20 (4.7)	354 (82.7)	39 (9.1)	15 (3.5)	-	20 (4.6)	381 (87.6)	34 (7.8)	-	-
4	Discouraging self-employment	22 (5.3)	362 (87.2)	22 (5.3)	9 (2.2)	-	29 (6.8)	379 (88.6)	20 (4.7)	-	-	20 (4.6)	381 (87.6)	34 (7.8)	-	-

Percentage in parenthesis

Source: Field study

In Edo South senatorial district, 7.2% of the respondents strongly agreed that trade liberalization leads to the winding up of infant industries, 91.3% agreed, while 1.4% undecided. In Edo North senatorial district 4.9% strongly agreed that trade liberalization leads to winding up of infant industries, 87.4% agreed, 4.2% undecided while 3.5% disagreed. Also in Edo Central senatorial district 4.1% strongly agreed, 89.7% agreed and 6.2% undecided that trade liberalization results in winding up of infant industries.

Furthermore, 7.2% of the respondents in Edo South Senatorial district strongly agreed that trade liberalization discourages skills acquisition, 92.0% agreed, while 0.7% undecided. In Edo North senatorial district 6.8% strongly agreed that trade liberalization discourages skills acquisition, 88.6% agreed, while 4.7% undecided. Similarly, 4.6% of the respondents in Edo Central strongly agreed that trade liberalization discourages skills acquisition, 89.9% agreed while 5.5% undecided

Also in table 1a in Edo South, shows that 7.9% strongly agreed that trade liberalization increases dependence on foreign products, 91.1% agreed, 0.5% undecided while 0.5% disagreed. In Edo North senatorial district, 4.7% strongly agreed that trade liberalization increases dependence on foreign products, 82.7% agreed, 9.1% undecided while 3.5% disagreed. In the same vain, 4.6% of the respondents in Edo Central senatorial district strongly agreed that trade increases dependence on foreign products, 87.6% agreed while 4.7% undecided. Also, in Edo Central senatorial district 4.6% of the respondents strongly agreed that trade liberalization increases dependence on foreign products, 87.6% agreed while 7.8% undecided if depending on foreign products is of the increase; it means the goal of self-reliance is defited.

In another plane, the respondents rated the implications of trade liberalization on self employment. In Edo South senatorial district, 5.3% strongly agreed that trade liberalization discourages self employment, 87.2% agreed, 5.3% undecided, while 2.2% disagreed. In Edo North senatorial district 6.8% of the respondents strongly agreed that trade liberalization discourages self employment, 88.6% agreed, while 4.7% undecided. Also in Edo Central, 4.6% of the respondents strongly agreed that trade liberalization discourages self employment, 87.6% agreed while 7.8% undecided.

Table: 1b PERCEPTION OF IMPACTS OF TRADE LIBERALIZATION ON POVERTY ALLEVIATION PROGRAMME

S/N	Variable	PUBLIC SECTOR EMP					PRIVATE SECTOR EMP					SELF-EMPLOYED					UNEMPLOYED				
		SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD	SA	A	U	D	SD
1	Winding up of infant industries	29 (7.6)	335 (88.2)	13 (3.4)	3 (0.8)	-	15 (4.3)	307 (88.2)	19 (5.5)	7 (7.0)	-	12 (3.9)	290 (93.5)	7 (2.3)	1 (0.3)	-	13 (5.4)	211 (87.9)	12 (5.0)	4 (1.7)	-
2	Discouraging skills acquisition	23 (6.1)	338 (88.9)	19 (5.0)	-	-	24 (6.9)	308 (88.5)	16 (4.6)	-	-	20 (6.5)	284 (91.6)	6 (1.1)	-	-	12 (5.0)	222 (92.5)	6 (2.5)	-	-
3	Increasing dependence on foreign products	30 (7.9)	318 (83.7)	26 (6.8)	6 (1.6)	-	17 (4.9)	302 (86.8)	17 (4.9)	10 (2.9)	-	12 (3.9)	268 (86.5)	30 (9.7)	-	-	14 (5.8)	225 (93.8)	1 (0.4)	-	-
4	Discouraging self-employment	28 (7.4)	322 (84.7)	30 (7.9)	-	-	16 (4.6)	305 (87.6)	18 (5.2)	9 (2.6)	-	13 (4.2)	272 (87.7)	25 (8.1)	-	-	14 (5.8)	223 (92.9)	3 (1.3)	-	-

Percentage in parenthesis

Source: Field study

Table 1b shows the views of the respondents in various occupational groups on the implications of trade liberalization on infant industries, skills acquisition and self employment. In all the occupational groups a greater percentage of the respondents agreed that trade liberalization leads to winding up of infant industries. In the public sector employment, 7.6% strongly agreed, 88.2% agreed, 3.4% undecided, while 0.8% disagreed. In the private sector employment, 4.3% strongly agreed, 88.2% agreed, 5.5% undecided respondents 3.9% strongly agreed, 93.5% agreed, 2.3% undecided, while 0.3% disagreed. Also among the unemployed respondents 5.4% strongly agreed, 87.9% agreed, 5.0% undecided while 1.7% disagreed.

Also, larger percentage of the respondents in the various occupational groups agreed that trade liberalization results in discouragement of skills acquisition. In the public sector employment, 6.1% strongly agreed, 88.9% agreed while 5% undecided. In the private sector employment 6.9% strongly agreed, 88.5% agreed while 4.6% undecided. Among the self employed respondents, 6.5% strongly agreed, 91.6% agreed while 1.1% undecided. Similarly, among the unemployed respondents 5.0% strongly agreed, 92.5% agreed while 2.5% undecided.

Furthermore, table 1b shows that greater percentage of the respondents across various occupational groups agreed to the view that trade liberalization engenders increase dependence on foreign product. In the public sector employment, 7.9% strongly agreed, 83.7% agreed, 6.8% undecided, while 1.6% disagreed. In the private sector employment 4.9% strongly agreed, 86.8% agreed, 4.9% strongly agreed, 86.8% agreed, 4.9% undecided while 2.9% disagreed. Among the self employed respondents 3.9% strongly agreed, 86.5% agreed while 9.7% undecided. Similarly, among the unemployed respondents 5.8% strongly agreed, 93.8% agreed while 0.4% undecided.

Also, table 1b indicates that a greater percentage in all the occupational groups agreed that trade liberalization discourages self employment. In the public sector employment 7.4% strongly agreed, 84.7% agreed, while 7.9% undecided. In the private sector employment 4.6% strongly agreed, 87.6% agreed, 5.2% undecided while 2.6% disagreed. Among the self employed respondents 4.2% strongly agreed 87.7% agreed, while 8.1% undecided. In the same way, among the unemployed respondents 5.8% strongly agreed, 92.9% agreed while 1.3% undecided.

Testing of Hypothesis: The hypothesis that says that; there is a positive relationship between trade liberalization and the performance of poverty alleviation programmes in Edo State was tested as follows.

Ho: There is no positive relationship between trade liberalization and the performance of poverty alleviation programmes

Hr: There is a positive relationship between trade liberalization and the performance of poverty eradication programmes.

In testing the hypothesis, the question that trade liberalization leads to winding up of infant industries was adopted. The data obtained are computed into the table below.

Table 1c Relationship between trade liberalization and the performance of poverty alleviation programme

RESPONSE	EDO SOUTH	EDO NORTH	EDO CENTRAL	ROW TOTAL
Strongly agreed	30 (22.41)	21(23.11)	18(23.49)	69
Agreed	379 (371.16)	374(382.79)	390 (389.05)	1143
Undecided	6 (16.56)	18 (17.08)	27 (17.36)	51
Disagreed	-(4.87)	15(5.02)	-(5.11)	15
Strongly disagreed	-(0)	-(0)	-(0)	-
Column total	415	428	435	1278

Expected frequencies in parenthesis

Source: Field Survey

Research Result

Data are statistically significant because calculated $\alpha^2 = 46.2833$ exceeds critical $\alpha^2 = 5.99$ at 20% probability of sampling error. With calculated Gamma (γ) as 0.25 it means that there is medium positive relationship between variables. The implication of the result is a rejection of the null hypothesis and a confirmation of the research hypothesis.

Statistical inference

Arising from the research result, it can be gleaned that there is a positive relationship between trade liberalization and the performance of poverty alleviation programmes in Edo State. This implies that trade liberalization has a limiting effects on the performance of poverty alleviation programmes.

DISCUSSION OF FINDINGS

The field study revealed that trade liberalization hinders the realization of the objectives of poverty alleviation programmes in Nigeria with particular reference to Edo State. As it engenders liquidation of infant domestic industries through massive importation of foreign products. Also, the patronage of the foreign products at the expense of the locally manufactured goods hurts spirit of entrepreneurship and self-development which in the overall negate self-reliance which is a critical requirement for economic growth of every nation.

The result of the field study supports the theoretical contention that liberalization as a component of globalization limits poverty alleviation. Liberalization of sectors hitherto monopolized by the government is expected to unleash competition by private sector and hence spur growth and employment generation. It also encourages free flow of goods and service across the national borders. The increase in the volume of imported goods on account of liberalization undermines the existence of infant industries which the government (NAPEP AND NDE) intend to groom. According to key respondent, liberalization results in the 'tokunbonization' of the economy. With the flooding of the local markets with second hand foreign items, the small scale enterprises or cottage industries such as shoe making, cloth weaving and tailoring which the government intend to encourage as a call to poverty alleviation, suffer serious setback.

Another respondent noted that "import liberalization hurts industrial development. Only small proportions of firms operating at the frontier gain from competitive pressures in a liberalized economy. The cottage-type of industrial development nurtured by government suffers under the big bang of liberalization. This corroborates with Murlidhar(2013), Tabarrok(2013), Bardham(2003), Edward (2004), Lee and Vivanlli (2006), Khor (2009), Manda and Sen (2004) and Ruz (2009), who agreed in their respective studies, that trade liberalization limits the prospect of infant industries. Also, a sampler noted that under the big bang of liberalization, the poor run such small-scale enterprises as food processing, and handicraft that are victims of the aggressive competition engender through liberalized importation of goods.

CONCLUDING REMARKS

Although trade liberalization intended to promote growth and improve standard of living in both industrialized and developing nations, but the gain is of more benefit to the industrialized countries. What led to this unbalanced growth is explained with the help of the theory adopted in this study. The poverty of the developing countries is partly an association of the adverse trade relationship between the industrialized and developing nations of the world. Since trade liberalization has undermines growth and poverty alleviation in developing nations particularly in Edo state in Nigeria, there is the need to adopt the following recommendations;

Protection of Small Scale Industries: Small scale enterprises are the engine and strategies which poverty eradication revolved. These enterprises are quite often the victims of the swash effects of trade liberalization. The small scale businesses are usually not strong enough to march the competition generated by trade liberalization. Thus, the state should device a means of protecting these industries from the intense competition from the global giants and massive importation.

Providing Safety Net Against The Effects Of Trade liberalization: Within the context of trade liberalization, the poor who are the target beneficiaries of poverty eradication programmes are disadvantaged because they lack access to infrastructure, good road network, they are remoted from the market.

These interlocking inequalities raised the cost of marketing output and increased cost of inputs for production. When the economy is liberalized, it is often difficult for owners of small scale business to compete with the bigger business enterprises. Also they can hardly meet the cost of advertisement which is a major instrument of the multi-national corporations. These and many other reasons made the proprietors of small scale business enterprises difficult to compete with imported goods. In this way, this study seeks to recommend that safety nets should be put in place for owners of small scale industries to cushion the swash effects of liberalisation.

The owners and managers of the small scale enterprises must be exposed to management support services, business extension and liaison services.

There should be provision of better infrastructures to stimulate growth in the domestic and international market. Such infrastructures may include; roads, port, communication, power, etc in order to achieve international best practice.

Nigeria as a nation must diversify its export rather than solely depending on the sale or revenue from crude oil. Other areas such as cocoa, cotton. Weath, rubber, cassava, etc that are agriculture related should be explored to achieve a higher revenue and a balanced growth. And the growth should be properly channed into the most useful areas were they are needed in order to achieve poverty reduction in Nigeria and particularly Edo state.

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